Accounts Payable Basics – Logistics Invoice Verification Process

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What This Course Is About

This course shows the logistics invoice verification process and when and how it is used. This process is used when paying vendor invoices that are linked to the procurement or Material Management Module (MM) of AASIS. This process must be used when the item being paid for was ordered with a purchase order.

Who Should Attend This Course

End users with the AP Specialist role or the AP Supervisor role should attend this course. This course can also benefit accountants and managers who need to understand the processes which create accounting entries.

What You Should Know Before Coming to Class

Before coming to class, you should know AASIS Basic Navigation or be an experienced user of AASIS. In addition, you should be familiar with basic accounting concepts.

What You Will Learn from This Course

This course provides a basic overview of the business processes for creation and processing of vendor invoices, using logistics invoice verification in AASIS.

You will learn to correctly create logistics invoices in AASIS for assets and expenses.

You will learn about the accounting and budgeting processes for logistics invoices.

You will learn about the GR/IR account and how to avoid common errors that may occur there.

You will learn about the reporting tools available in AASIS and how to use them to locate data associated with the Accounts Payable and Material Management processes.

How This Course Is Organized

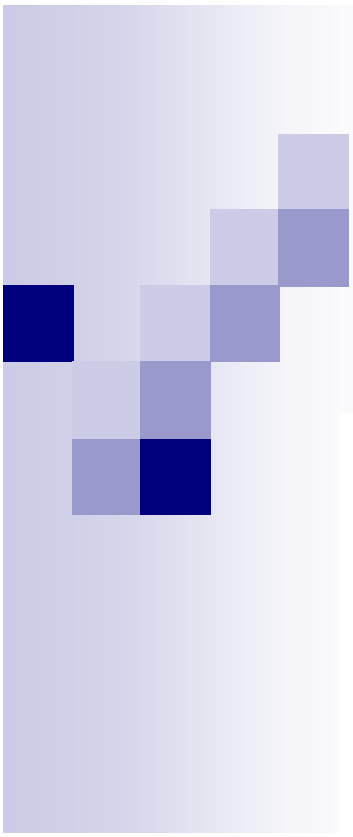
There are two separate manuals used in this course: The Accounts Payable Logistics Manual and a supplemental Reporting Handbook. The Accounts Payable Manual provides the step-by-step processes in paying logistics invoices and covers some reports used in the process. The Reporting Handbook covers all reports used in the Accounts Payable Logistics process and other aspects of the AAASIS system. We will cover the process for paying expenses in detail and then go over the process for invoicing assets. After that, we will cover the reports that we have not yet discussed. An accompanying workbook contains student exercises for use in class.

Table of Contents:

Chapter 1 Customizing Your System 7
Default Menu 7
Setting Parameters 8
Document Display Options 11
Chapter 2 Overview 14
How Does AASIS Operate 14
How is AASIS Organized 14
What is a Business Process 15
Steps in the Logistics Invoice Process 15
Chapter 3 Master Data, Global Settings, Integration & Internal Controls 18
What is Master Data 18
What are Global Settings 23
What is Integration 26
What Are Internal Controls? 30
Chapter 4 Matching the Invoice to the Purchase Order 34
What Do I Need to Know Before Paying this Invoice? 34
Where Do I Find the Purchase Order Number 35
Now That I Have the Purchase Order, What Am I Looking For? 41
How Do I Know What the Tax Code Should Be? 46
How Do I Know How Much Tax the System Calculated? 46
Chapter 5 Entering a MIRO Invoice Verification with No Tax 49
Chapter 6 Vendor Master Data 59
Chapter 7 Entering the MIRO Invoice Verification with Sales Tax 70
What If the System Calculated Tax for Tax Code P1 is Different from the Tax on the Invoice? 72
Chapter 8 Entering the MIRO Invoice Verification with Use Tax 75
How Do I Enter Use Tax on a MIRO 76
The U1 Invoice with Multiple Funds 78
Chapter 9 Accounting for Logistics Invoices 83
What Happens When Goods Are Purchased? 83
What Happens When Goods Are Received? 83
What Happens When the Invoice Is Entered? 84
What about Sales Tax? 84
What about Use Tax? 85
What about Payment? 86
What Are the Account Balances? 87
What about Multiple Funds? 87
Chapter 10 The Goods Receipt/Invoice Receipt Account 92
How Can I Look Up Out of Balance GR/IR Entries? 92
Chapter 11 Viewing the Documents 97
How Do I View the Accounting Document? 99
How Do I View the SPL Document 103
How Do I View the Controlling Document? 104
How Do I View the FM Document? 106

Chapter 12 Logistics and the Budget 109
How Is Budget Taken in the Logistics Process? 109
What Is a Budget Commitment? 109
What Happens to the Commitment when the Invoice Is Entered? 110
What If the Invoice Is Less than the Purchase Order? 112
Tips for Using the Final Invoice Check Box 113
Chapter 13 Payment 115
How Is Payment Reflected in AASIS? 115
Chapter 14 Troubleshooting Unpaid Invoices 118
How Do I Know If AASIS Paid the Invoice? 118
Why Didn't My Invoice Pay? 119
How Can I Find the Problem? 120
Can I Unblock the Invoice? 123
What Changes Can I Make to a Posted Invoice? 123
Changing a Document with Transaction FB09 127
How Can I Find out What Changes Have Been Made to a Document? 129
Chapter 15 Warrant Cancellation and Outlawed Warrants 133
What is a Warrant Cancellation? 133
Prior Year Warrants 135
Outlawed Warrants 135
Chapter 16 Cancelling a Logistics Invoice 138
How Can I Cancel a Logistics Invoice? 138
How Do I Clear the Vendor? 140
Transaction FBL1N 141
Transaction F-44 143
Can I Re-open the Cleared Item? 149
Chapter 17 Held Documents 153
What Is a Held Document? 153
How Do I Hold a Logistics Invoice? 153
How Do I Retrieve a Held Document? 154
How Do I Park a Logistics Invoice? 156
How Can I Search for Parked Documents? 158
Program for Parked Vendor Invoices ZFI_PARKHELD_RPT 161
Chapter 18 Credit Memos and Subsequent Debits and Credits 165
How Do I Enter a Credit Memo for an Expense? 166
When Do I Use Subsequent Credit? 170
How Do I Enter a Subsequent Credit? 170
How Do I Enter a Subsequent Credit for an Expense? 171
Tips for Subsequent Credit Entries 175
What Is a Subsequent Debit? 177
How Do I Enter a Subsequent Debit for an Expense? 177
Tips for Subsequent Debit Entries 181
Subsequent Debits and Document Blocks 182
Can I Unblock the Document? 182
How Do I Unblock the Document? 182
Chapter 19 Invoicing Fixed Assets 186

What Is the Difference between a Fixed Asset and an Expense?.....186
How Do I Enter a MIRO for a Fixed Asset.....186
How Is This Different from Posting an Expense MIRO? 193
How Do I View the Accounting Document?.....194
How Do I View the SPL Document? 195
How Do I View the Asset Document? 197
Where Is the Value of the Asset?.....198
How Do I View the Controlling Document? 199
How Do I View the FM Document? 201
How Do I Pay for an Asset with Multiple Line Items?.....202
What If the Assets Are Purchased from Multiple Funds?.....204
How Do I Enter a Credit Memo for a Fixed Asset? 205
How Do I Enter a Subsequent Credit for an Asset?.....209
How Do I Enter a Subsequent Debit for an Asset? 214



Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 1 Customizing Your System

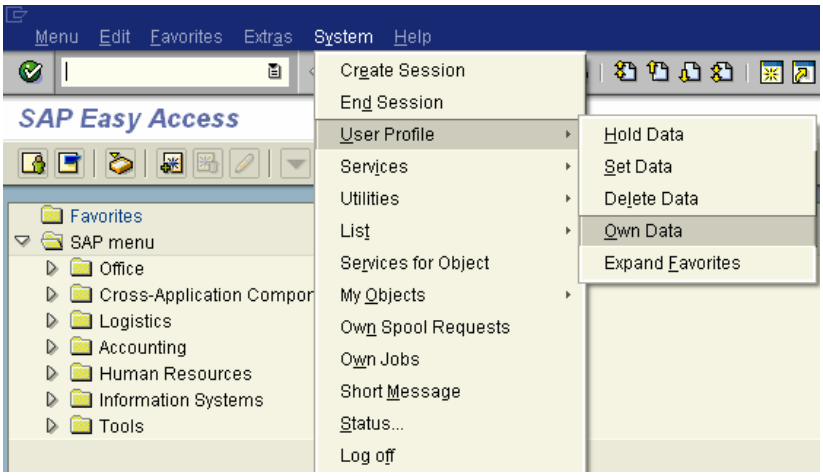
Before You Begin

You will view documents in this course. In order to properly display the documents, you need to make some changes to the default user settings in AASIS.

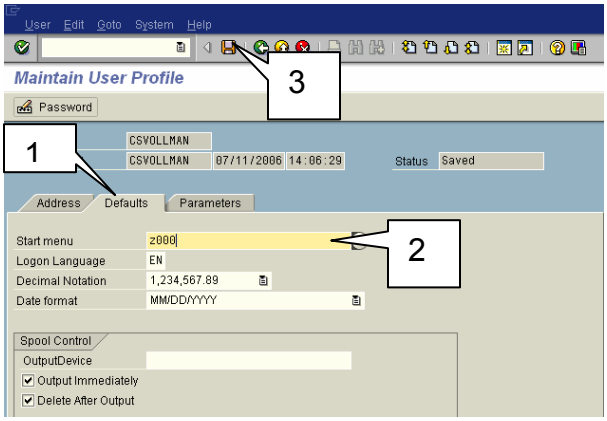
Customizing Your System

Default Menu

The AASIS menu should be your default menu. If it isn't, go to System> User Profile> Own Data



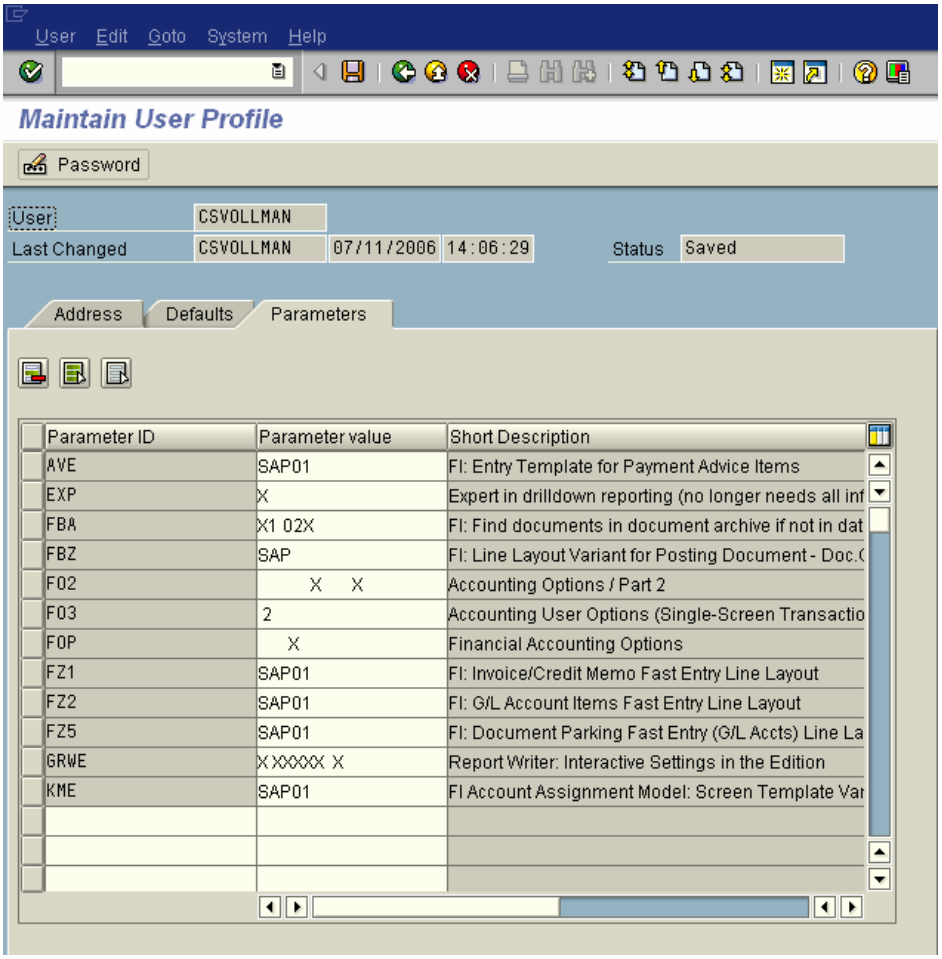
1. Choose the defaults tab.
2. Enter Z000 (the letter Z and three zeros) in the start menu field. Z000 enables the selection for Special Transactions and Reports—State of Arkansas.
3. Click the Save button.



Setting Parameters

You can also use the Maintain User Profile screen to set Parameters.

Click the Parameter tab to view the parameters that have been set for you.

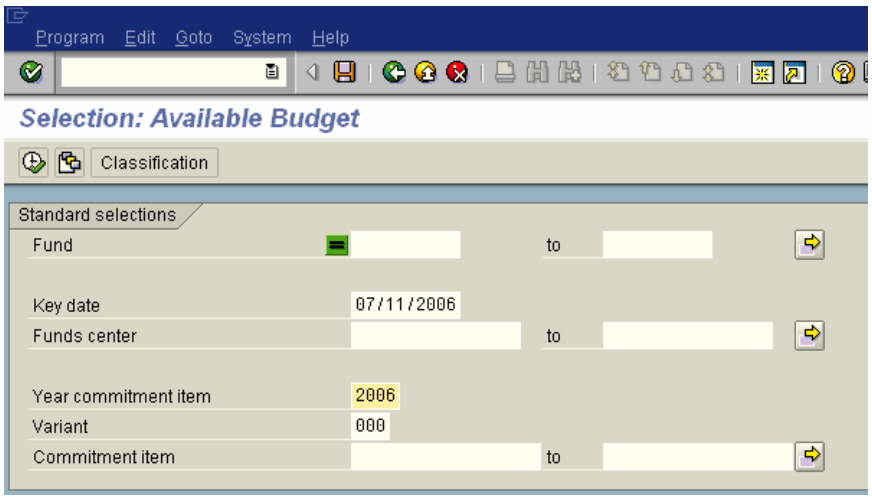


You can set parameters on this screen to make values default in transactions. You can find out what the parameter ids in transactions are by clicking F1 in the transaction field and then clicking the technical information button.

For example, assume that you want the “year commitment item” field to default to 2007 in the Actual Budget Report.

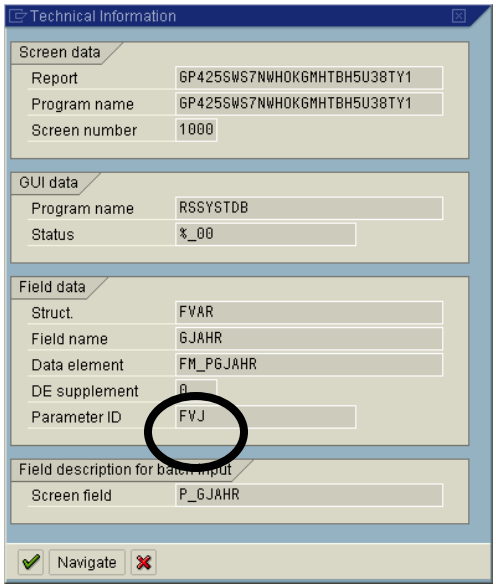
You can find the parameter as follows:

Place your cursor in the field and click F1.



Click the Technical Information button

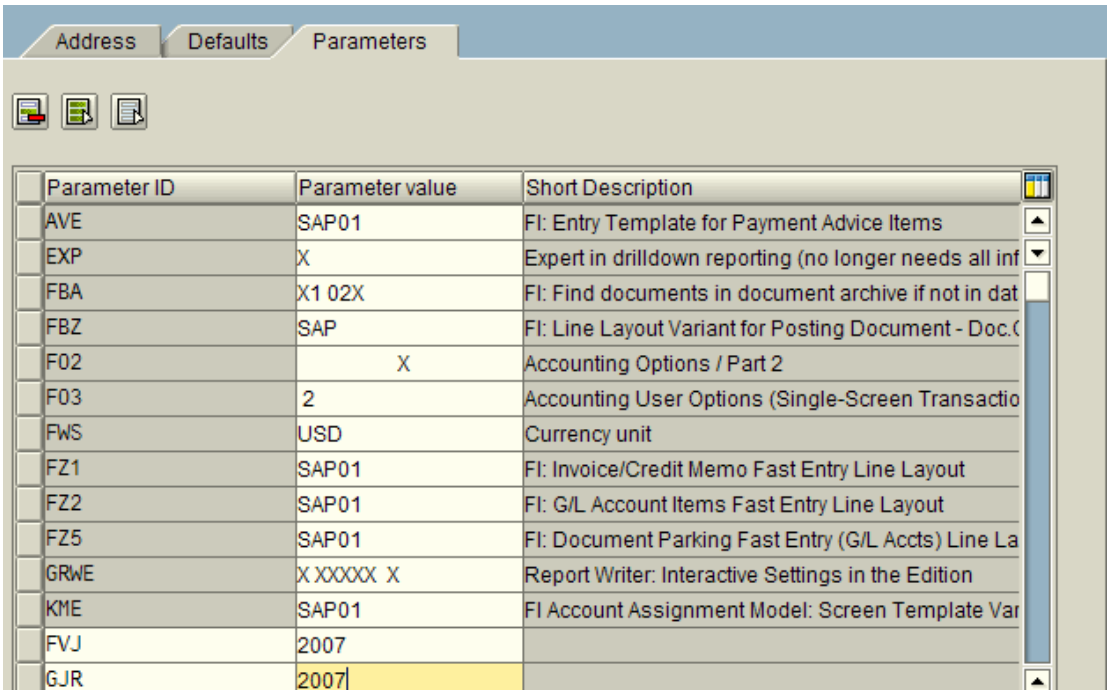
Note the Parameter ID. (Some fields do not have Parameter ID’s.)



You also want to set a parameter ID for The fiscal year.

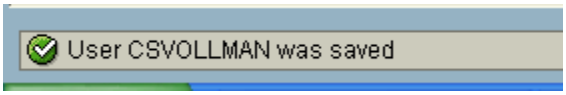
Assume you followed the steps to find the fiscal year parameter ID (It's GJR). Enter the Parameter IDs and desired values in your User Profile on the Parameters tab.

Click Save.

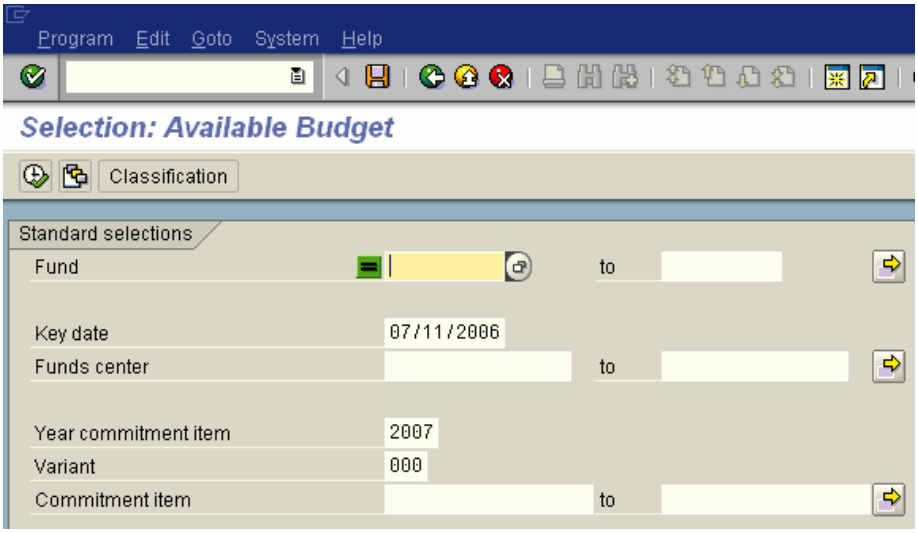


Parameter ID	Parameter value	Short Description
AVE	SAP01	FI: Entry Template for Payment Advice Items
EXP	X	Expert in drilldown reporting (no longer needs all inf
FBA	X1 02X	FI: Find documents in document archive if not in dat
FBZ	SAP	FI: Line Layout Variant for Posting Document - Doc.(
F02	X	Accounting Options / Part 2
F03	2	Accounting User Options (Single-Screen Transactio
FWS	USD	Currency unit
FZ1	SAP01	FI: Invoice/Credit Memo Fast Entry Line Layout
FZ2	SAP01	FI: G/L Account Items Fast Entry Line Layout
FZ5	SAP01	FI: Document Parking Fast Entry (G/L Accts) Line La
GRWE	X XXXXX X	Report Writer: Interactive Settings in the Edition
KME	SAP01	FI Account Assignment Model: Screen Template Var
FVJ	2007	
GJR	2007	

You'll get a message that the information was saved.



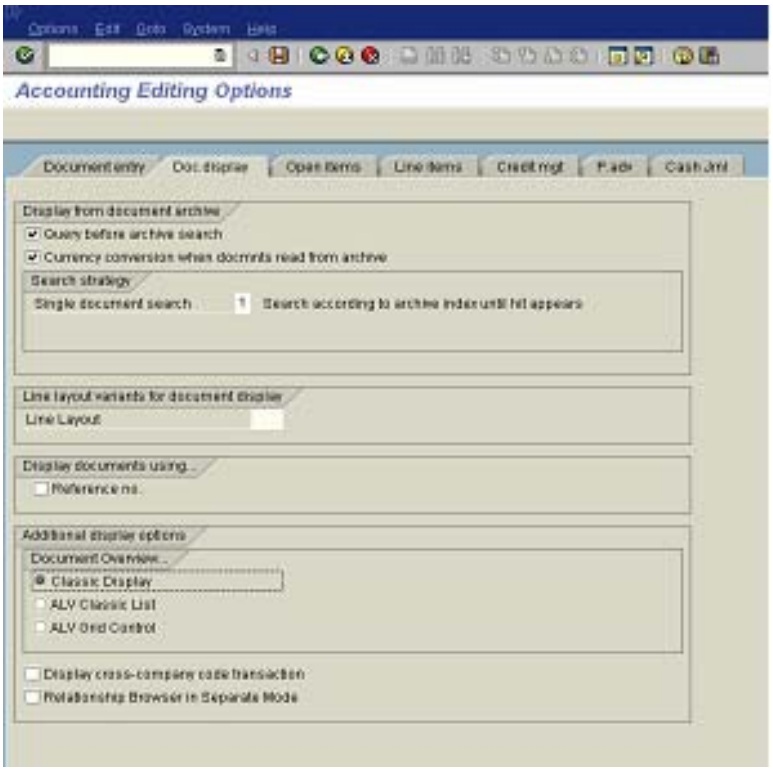
The next time you select the report, the information that you specified will default—in this case the Year commitment item as 2007.



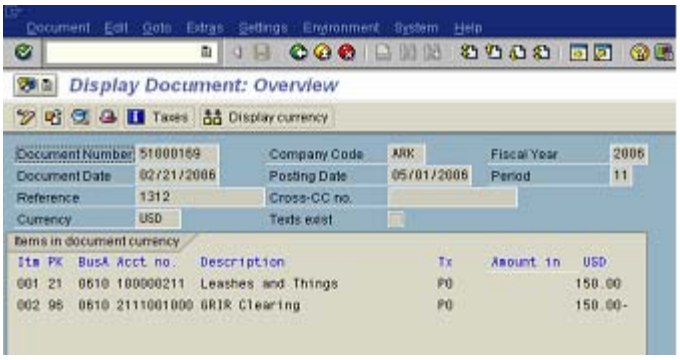
Document Display Options

Use Editing Options (transaction FB00) to control the way documents display in the system.

Choose the Doc display tab. Classic display is the default selection under the additional display options section.

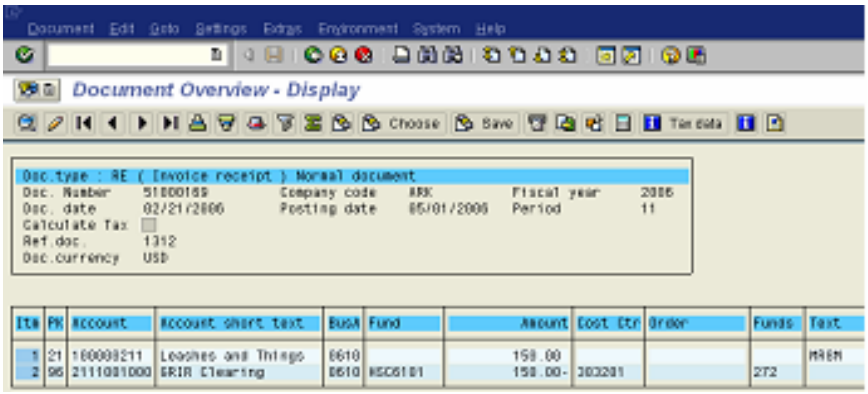


The classic display option causes documents to be displayed like this:

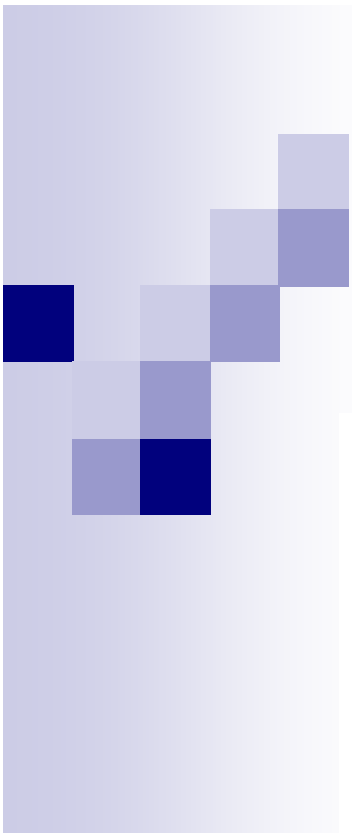


Change the radio button to the ALV Classic List.

This causes the document to be displayed like this—you can now see cost center, funds center and fund on the document.



Save the change.



Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 2
Overview

How Does AASIS Operate?

The Arkansas Administrative Statewide Information System (AASIS) operates using SAP software that has been customized to meet the business needs of the State of Arkansas. Customization includes **business processes** designed for day-to-day operations, as well as the ability to meet reporting requirements from various branches of the State and Federal governments and professional accounting entities.

How Is AASIS Organized?

AASIS is organized into modules and sub-modules. A **Module** is a group of related components that serve complementary functions. A **Sub-module** is an individual component containing related transactions. The AASIS structure looks something like this:

Financials (FI) Module

- Sub-modules
    - Accounts Payable (AP)
    - Accounts Receivable (AR)
    - Asset Management (AM)
    - Cash Management (CM)
    - Controlling (CO)
    - Funds Management (FM)
    - General Ledger (GL)
    - Projects Systems (PS)
    - Special Purpose Ledger (SPL)

Materials Management (MM) Module

- Sub-modules
    - Inventory (INV)
    - Logistics Invoice Verification (LIV)
    - Purchasing (PUR)

Human Capital Management (HCM) Module

- Sub-modules

    - Benefits
    - ESS
    - Organizational Management (OM)
    - Payroll (PAY)
    - Personnel Administration (PA)
    - Time
    - Training and Events (TE)

What Is A Business Process?

A business process is a series of defined procedural steps associated with a specific business function. A complete business process might be contained within a single sub-module, or it might cross sub-modules and modules. This course demonstrates the process for creating, posting, paying, and troubleshooting Logistics Vendor Invoices for Treasury funds, so let's use the Accounts Payable-Logistics Invoice Verification business process as an example.

The Accounts Payable process in AASIS is the means by which the state records expenses and obligations to pay vendors for goods and/or services received, and subsequently issues payments to those vendors and relieves the obligations. Reporting tools within Accounts Payable allow users to monitor obligations and payments for amounts, frequency, promptness, accuracy, and recipient, among other things.

There are four major steps in the Accounts Payable – Logistic Invoice process:

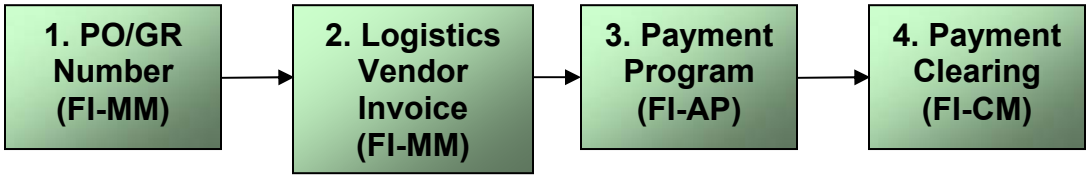
1. Using the Logistics Invoice process the first thing you must have is a posted goods receipt for a purchase order that matches the invoice you received from the vendor.

2. Once you are confident that the purchase order and goods receipt match the vendor invoice, the next step is to create the invoice using the MIRO transaction.

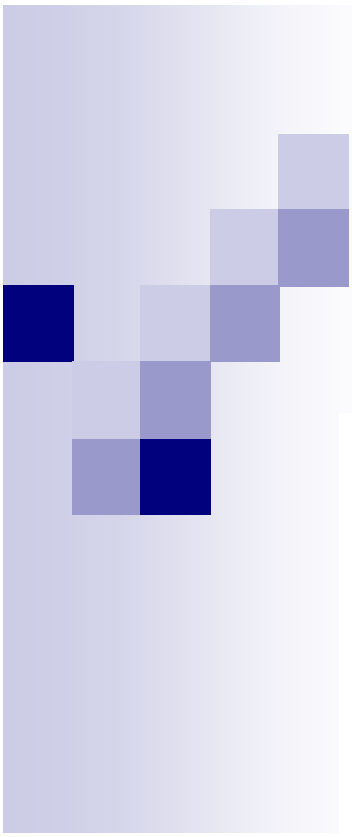
3. Posted invoices are processed for payment in the payment program on the appropriate date. Department of Finance & Administration - Office of Accounting (DFA-OA) executes the payment program each evening,

Sunday – Thursday, for vendor payments from Treasury funds. Warrants are printed and mailed and ACH payments are made.

4. The State Treasury sends a file to AASIS each day that identifies payments they have redeemed. That file updates the appropriate payments in AASIS to show that the vendor has received the payment and the encashment date. The payment is then marked as "cleared" in AASIS and the business process is completed. The bank file from the State Treasury, referred to as the BAI file, is processed automatically by the AASIS Support Center (ASC).



Before we get into the details of specific transactions and data entry, we need to discuss some concepts that have a major impact on the AP Logistics business process. Global Settings, Integration, and Internal Controls are addressed throughout this manual but are discussed in detail in Chapter Three.



Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 3
Master Data, Global Settings, Integration & Internal Controls

In this chapter we explain more about Master Data, Global Settings, Integration and Internal Controls, which you will see mentioned throughout this course. You need to understand what they are, how they impact the AP-Logistics Vendor invoice business process, and how and why they affect the way you do your job. Master data is central to integration in AASIS and is also part of system internal controls, so we will begin with master data.

What Is Master Data?

Master data is information that remains the same over a long period of time, or information that is needed often and in the same form. Master data is also used for deriving additional information, which reduces data entry for end users and facilitates integration and reporting within AASIS between the modules and sub-modules. Because of the derivations, you must understand the connections between master data elements and how they are used in various transactions.

Master data consists of the master record, which is a definition (what it is, who is responsible for it, where it's located, etc.), and a unique identifying alpha, numeric or alpha-numeric code. Some pieces of master data can be used by all end users, while others are more restricted. Each piece of master data has a module or sub-module that "owns" the master record, but most master data is used by multiple sub-modules in transactions. For example, the CO sub-module "owns" a cost center because that is where the master record is created and maintained, but cost centers are used by all FI sub-modules, most MM sub-modules, and even HCM sub-modules. The major master data elements are:

General Ledger Account is a 10 digit numeric code used to classify and categorize financial activity within AASIS and represents the line item detail for all financial transactions. General Ledger accounts (GL accounts) are grouped by category in the AASIS statewide Chart of Accounts. Department of Finance & Administration-Office of Accounting (DFA-OA) adds General Ledger accounts to the Chart of Accounts when need arises. General ledger accounts are "owned" by the GL sub-module but are used throughout the FI and MM modules. GL Accounts are generic to all state agencies.

There are six broad categories of GL accounts, each of which serves a different purpose in the financial statements, and each category has a different 10-digit number range:

Account Category	Account Type	Number Range
Assets	Balance Sheet	1000000000 - 1999999999
Liabilities	Balance Sheet	2000000000 - 2999999999
Fund Balance	Balance Sheet	3000000000 - 3999999999
Revenues	Profit & Loss	4000000000 - 4999999999
Expenses	Profit & Loss	5000000000 - 5999999999
Other Sources and Uses	Profit & Loss	6000000000 - 6999999999

NOTE: There is an account category called "Assets", but we also have what we call "Fixed Assets" in AASIS.

"Assets" is a category of GL accounts representing items that increase the financial value or improve the financial position of the State. Examples include cash balances, cash owed to the state, fixed assets (items of value, also referred to as "capital equipment"), investments, etc.

Fixed asset accounts are used for recording and tracking individual pieces of equipment, buildings, land, artwork, and other items purchased or constructed by, or donated to, the state. Individual fixed assets are maintained in the Asset Management sub-module, but their balances are summarized and reported in the General Ledger in the 1990000000 – 1999999999 account range in the "Assets" section.

For AP, you will mostly be working with the Expenses and Liabilities. Individual expense accounts are used to classify how your agency spends its money. These accounts, combined with other pieces of master data, allow you to produce reports detailing how much has been spent on cleaning supplies, travel expenses, utility bills, construction materials, uniforms, etc.

Liabilities represent obligations – how much your agency owes, and a general idea of what created the obligation. Examples include payroll liabilities, vendor liabilities, bond payment liabilities, etc. Within the liabilities, there are

three reconciliation accounts, one of which will be assigned to each individual vendor.

A reconciliation account is used to summarize the balances in the individual vendor accounts and report the totals in the General Ledger. There are currently three vendor reconciliation accounts: 2110001000 – Vendor Accounts Payable, which is used for most vendors; 2110002000 – Employee Accounts Payable, which is used for employee vendors (used for travel reimbursements but not payroll); 2110003000 – Due to Other Funds, which is used for State Agency vendors. The liability reconciliation account chosen determines what must be done with the account balance when it comes time to produce the financial statements.

Fund is a seven-character numeric or alpha-numeric code that represents one level of an agency's fiscal and accounting responsibility, where cash and other financial resources are recorded for the purpose of administering authorized activities.
In accounting terms, a fund is a self-balancing set of books. The debits and credits must be equal, and AASIS allows extensive reporting of revenues, expenses and cash on a Fund basis. In other terms, a fund is similar to a bank account. Each fund has deposits or incoming transfers to increase the cash balance, and payments or outgoing transfers to reduce the cash balance. Funds can be used by agencies to keep track of different funding streams (sources of revenue) or to "separate" cash used for multiple purposes. For example, some agencies receive money from both the State and the Federal government. If they prefer to keep the money separate, they might choose to have two funds – one for the state money and one for the federal money – although this is not necessary.

There are two types of funds in AASIS:

Treasury funds represent monies maintained in the State Treasury. For Treasury funds, the seven-character fund code is alpha-numeric; the first three characters, at least, are letters, and the remaining characters are numbers.

Cash funds represent monies maintained in commercial bank accounts. For Cash funds, all seven characters of the fund code are numbers.

Funds are "owned" by the FM sub-module and are part of the "budget quad" in AASIS. Agency budgets are created to limit how much an agency can spend based on legal authorizations. AASIS uses four pieces of master data to make up the budget "quad": fund, funds center, functional area and commitment item, all "owned" by the FM sub-module.

Funds Center is a four-or-five-character alpha-numeric code that represents the agency's appropriation, or the legal authority to spend certified income, according to the agency's Appropriation Bill passed by the State Legislature in the most recent regular session.

Functional Area is a three- or four-character alpha code that represents the high-level Comprehensive Annual Financial Report (CAFR) classifications. Functional areas correspond to the general purpose of the agency (Health and Human Services, Public Safety, Education, Constitutional Office, etc.). Each agency has only one functional area.

Commitment Item is a seven-digit numeric code that represents the broad categories of detailed line items created within all financial transactions. Commitment items create functional grouping of expenditures and revenues, among other things, within the FM sub-module. Commitment item categories include Maintenance & Operations, Regular Salaries, Extra Help, Matching, Conference & Convention Fees, Professional Services and Capital Outlay. Appropriation bills are specific to the commitment item ("character code") level. For example, an agency may be authorized to spend no more than $1 million for Regular Salaries, $2 million for M&O, $100,000 for Capital Equipment, etc.

Cost Element is the equivalent of the 10-digit GL account and represents the line item details for all revenue and expense financial transactions, except the cost element is "owned" by the CO sub-module and is only used there. Cost elements only exist for GL accounts in the 4000000000 – 6999999999 range, with the exception of some of the Fixed Asset accounts in the 1990000000 – 1999999999 range. The cost element number is the same as the GL account number; for example, GL account 5050002000 is associated with cost element 5050002000.

Cost Center is a six-digit numeric code that serves as a financial data collector for areas of responsibility within an agency. An agency's cost center structure usually reflects the organizational structure of the agency; *e.g.* at least one unique cost center for each county office, and different cost centers for central administration units. Cost centers are also used to derive other information when used in a transaction. Within AASIS, cost centers enable derivation of fund, funds center, business area and functional area – in other words, most of the budget "quad". Cost centers are "owned" by the CO sub-module.

Project Definition – An alpha-numeric code that is the high-level definition of a construction project or grant award. Each project definition contains at least one lower-level WBS element. Project definitions are "owned" by the PS sub-module, but are more commonly associated with the CO sub-module because that is where most of the reporting takes place.

WBS Element is an alpha-numeric code that is a component of Project Systems within the CO sub-module. Each WBS element is part of the hierarchical structure of a project definition and is used as a financial data collector to serve the reporting needs of an agency. WBS elements are used in AASIS to record activity against grants or construction projects. Some WBS elements are "real" or non-statistical, which means the fund, funds center and functional area are derived using the WBS element rather than the cost center; non-statistical WBS elements are normally for construction projects. WBS elements are "owned" by the PS/CO sub-modules.

Internal Order is (up to) a nine-character alpha-numeric code used to collect the financial data of an agency for reporting purposes. Internal orders are not used to derive other information. Internal orders are "owned" by the CO sub-module.

Vendor is an authorized entity from whom the state can purchase goods or services and is identified by a unique Vendor Account number. The Vendor Master Record contains such information as vendor name and address, tax identification number, bank account information, and the reconciliation General Ledger account used for financial reporting. Vendor Master Records are categorized by account groups, and each account group has a unique numeric or alpha-numeric range of two to nine characters, depending on the type of vendor.

Customer is a business partner to whom the state has provided goods or services in return for payment and is identified by a unique Customer Account number. Customer Master Records are categorized by account groups, and each account group has a unique numeric or alpha-numeric range of six to nine characters, depending on the type of customer.

Asset is a piece of equipment or other non-inventory item - purchased, donated, constructed, or in the process of being constructed - in AASIS. The asset master record includes the useful life of the asset, the cost center to be used for financial information, the value of the asset, etc. The asset class chosen when the asset is created determines which Fixed Asset reconciliation accounts are used in the General Ledger. Each asset has a unique nine-digit number, determined by number range assigned to the asset class, which is used for tracking and reporting purposes.

Material is an eight-digit code that represents a commodity or service consumed by an agency and acquired through the Purchasing module.

Plant is a four-character numeric code that represents an inventory warehouse at a specified location. Plants are used in the Purchasing module.

The Special Purpose Ledger module (SPL) does not "own" any master data. SPL is a ledger used for financial statement reporting at the fund level. Anything that posts to the General Ledger automatically posts to the SPL, which means all financial transactions. The difference is that SPL postings include a Fund and Business Area on every line and force each document as a whole to balance, debits and credits, by Fund and Business Area, whereas the General Ledger documents do not.

What Are Global Settings?

Global settings are used like master data, except they are created through configuration by ASC and are not owned by one particular module. Some examples of global settings that are important to you as Accounts Payable users are **Company Code, Business Area, Posting Keys, Document Types** and **Payment Methods.**

Company Code is a three-character alpha code that represents the State's highest level legal reporting entity. The only Company Code used in AASIS is ARK.

Business Area is a four-digit numeric code representing an organizational unit of the State. In AASIS, business area represents an agency or division of an agency; each agency has a unique business area code in AASIS. Business area is used for reporting purposes and enables users to produce financial statements by agency. Some transactions require you to enter a business area, while others derive the business area from the cost center. Business area is used by most FI sub-modules, but not all. MM does not use business area (it uses Purchasing Organization instead), and the CO and FM sub-modules have only limited uses for business area.

Posting Key is a two-digit code representing a debit or credit for a specific business process within each financial sub-module. Each line item of a document in any of the FI sub-modules contains a posting key. The posting key indicates whether the line is a Debit or Credit (increase or decrease the account balance); whether the account used is a Vendor account, General Ledger account, Asset account or something else; and the nature of the transaction (vendor invoice, vendor credit memo, customer invoice, customer credit memo, etc.).

The posting keys we will use for the Accounts Payable – Logistics Invoice Verification process are:

Vendor Accounts

Posting Key	Debit/ Credit	Transaction Usage	Effect on Accounts
21	D	Credit memo	Decrease Vendor Account Balance
22	D	Reverse invoice	Decrease Vendor Account Balance
31	C	Invoice	Increase Vendor Account Balance
32	C	Reverse credit memo	Increase Vendor Account Balance

General Ledger Accounts

40	D	Debit entry	Increase Expense Amount
50	C	Credit entry	Decrease Expense Amount

Fixed Asset Accounts

70	D	Debit asset	Increase Asset Account Balance and Asset Value
75	C	Credit asset	Decrease Asset Account Balance and Asset Value

GR/IR Account

81	D	Debit expense	Increase Expense Amount
96	C	Credit GR/IR	Increase GR/IR Liability

Some transactions require you to enter the posting keys and some do not, so you need to know what they represent and when to use each one.

Document Type is a two-character alpha-numeric code that identifies the purpose of the business transaction and is also used to control what you can do within a transaction. For instance, document type RE is always a Vendor Invoice (Logistics Invoice Verification).

Sometimes the transaction you choose will determine the document type used, and sometimes you must choose the document type. Understanding the document types is also very useful when executing or reading reports. Document type is often a selection option on reports and can help you narrow the selections and improve the speed of the report. Each document type has an assigned number range, from seven to ten digits. AASIS assigns the next available number in the range when you park a document (or when you post

a document if the document wasn't parked). The document types we will use for the Accounts Payable – Logistics Invoice Verification process are:

Accounts Payable

Document Type	Description	Usage
RE	Vendor Credit Memo	Credit Memo for a Logistics invoice
RE	Vendor Invoice	Logistics Invoice

(Credit Memo and Vendor Invoice are the same document type)

Goods Receipt

WE	Goods Receipt	Recognize the receipt of goods ordered via the AASIS purchasing process

Cash Management

ZP	Vendor Payment Document	Payment generated via the automatic payment run, either for a Treasury fund or a Cash fund
ZR	Bank Clearing	The issued payment has been received by the vendor and submitted to the Treasury or Commercial Bank for redemption

Payment Method is a single-character alpha code indicating the nature of the fund from which payment is made (Cash fund or Treasury fund) and the means by which payment is made (check, warrant, ACH, direct deposit, or no payment issued directly from AASIS). Payment method selections are maintained on the Vendor Master record, although you are not limited to only those payment methods.

The payment methods we will use for the Accounts Payable - Logistics process are:

Payment Method	Description	Usage
A	ACH	Automatic Clearing House – essentially, a direct deposit to a vendor's bank account – from a Treasury fund
W	Warrant	A Warrant is a Check issued against a Treasury fund

What Is Integration?

Several of our business processes are possible because AASIS is "integrated" to allow the transfer of information between the modules and sub-modules without the need to enter the same data multiple times. Continuing with the AP-Logistics Invoice Verification example, integration allows the recording of expenses and payments in such a way that other sub-modules of AASIS can use the information for their own reporting needs. The FI Module and SPL and FM sub-modules regularly report on expense information. This reporting is made easier by the use of global settings and master data; like the global settings, some master data is agency-specific, but most is not.

Global Settings, Master Data and Integration.

The only global setting that is specific to an agency is Business Area, yet that global setting must be in place before any agency-specific master data can be created. Each agency is assigned a business area by DFA – Office of Accounting (DFA-OA) and DFA - Office of Budget (DFA-OB), usually as a result of legislative action during a regular legislative session. Business areas must have legislative authority to operate. The authority known as their appropriation act, which is passed by the legislature, determines the master data assignments for all funds and funds centers that the agency will use within AASIS. In addition, this act defines budgetary control amounts based upon broad categories. These broad categories are known as commitment items within the AASIS Funds Management module. Funds and funds centers are created specifically for a business area, but commitment items generally are not – appropriation acts normally utilize existing commitment items.

In order for an agency to operate within AASIS, business area specific master data must be created. DFA-OA and DFA-OB define the agency vendor master record, agency customer master record, and the fund and funds center master data. The vendor and customer accounts are used in transactions between agencies. Each master record contains a General

Ledger account – the reconciliation account that determines where the account balance will be reported on the financial statements. The reconciliation accounts are not specific to one agency. Additionally, the customer account must exist before the fund master record can be created.

Each agency's cost objects are created by either DFA-OA (cost centers) or agency staff (internal orders, project definitions and WBS elements), and each piece of master data has a single business area and functional area assignment. For example, the master record of each cost center contains the business area and functional area for which that cost center was created. Cost centers also require a funds management assignment which provides a hard link to one fund and one funds center. Based upon the master data record and the funds management assignment for cost centers, each cost center is associated with 3 of the 4 defined objects for the "budget quad" that provides budget control within the system. The "budget quad" consists of the fund, funds center, commitment item and functional area.

All expense and revenue transactions, as well as some fixed asset and inventory transactions, require the complete budget "quad". A General Ledger account is the primary remaining requirement because every GL account master record contains a commitment item. Each general ledger code in the 4XXXXXXXXX – 6XXXXXXXXX range, and some in the 199XXXXXXX range, has a corresponding revenue- or cost-relevant code within the CO sub-module known as a cost element. The GL account code can be keyed directly into the account number field within a transaction, or it can be suggested by another piece of master data, *i.e.* a transaction code in the cash journal or the material master number on a purchase order.

Each agency has at least one cash journal, created by ASC, which is used to record the receipt of cash. The cash journal itself is tied to a General Ledger account for Cash on Hand, and each revenue GL account has a unique transaction number within the cash journal. When you enter a receipt in the cash journal, you choose a transaction code rather than enter a GL account number.

A material master represents a commodity or service which can be procured by authorized plants through the purchasing sub-module in MM. The Material Master record includes a valuation class that derives suggested GL account, but you can change the GL account when you create the PO. Plants represent an inventory warehouse location; most of the state uses plant 9999, although there are a couple of agencies that have their own plants. Plants are further controlled by purchasing organizations (business area in MM) and purchasing groups. Purchasing groups are defined by the agency and can represent one or many individuals, but must be created and maintained within AASIS by ASC staff.

Fixed Asset master records can be used in a PO to purchase the asset or on a Direct-Pay vendor invoice to pay the sales tax on a vehicle. The asset master record contains an asset class, which defaults the GL accounts for the asset expenses, depreciation and fund balances, and a cost center, which determines the FM assignments and business area for that asset.

As we have already noted, there are several links between the master data in various sub-modules. Those links help create the integration and enable AASIS to derive (automatically populate) information in some fields and reduce the data entry for you when entering a document. Some examples of master data links relevant to the AP Logistics Invoice Verification process:

- Every GL account has a commitment item assigned.
- Cost centers and WBS elements have a business area on their master records.
- Cost centers are assigned and WBS elements can be assigned a fund, funds center and functional area.
- Fixed Asset Master Records have a cost center assigned. The asset master record also holds the asset class, which is mapped to the appropriate GL accounts.
- Vendor Master Records contain the GL reconciliation account used to report the vendor's account balance in the General Ledger.

As you can tell from the identified links, derived data is usually from a different sub-module; the sub-module links are what enable you to view the vendor payments from CO or FM sub-module reports without actually re-entering the invoice information in each of those modules. Not all derived information is from a different module, however. When you create a vendor invoice, the vendor's name and address, among other things, are derived from the vendor master record of the vendor you choose.

Some derived information comes directly from the master data's mater record - examples are the cost center and the general ledger account. In the case of the cost center, when you use a cost center in a transaction, the business area on the cost center master record is automatically populated into the "Business Area" field on that line item; likewise, the commitment item from the general ledger account master record is also populated into the appropriate field for that line item.

Other derived information comes from what is known in AASIS as the "derivation tool". The derivation tool is a more flexible means of linking master data. It is most commonly used to create derivations between CO sub-module master data and FM sub-module master data. Most cost centers are used to derive the fund, funds center and functional area when used in a transaction; this derivation is caused by the derivation tool. Some WBS elements are also used to derive the fund, funds center and functional area.

The only WBS elements that are used for derivations are those that are "non-statistical", or "real"; a WBS element is statistical or non-statistical based on the settings on the WBS element master record.

Each time you use a master data element in a transaction, you generate a posting in the sub-module that "owns" the master record. That is, when you create a vendor invoice and use a cost center, you create not only an AP posting (vendor), but also a GL posting (expense GL account and vendor reconciliation account), a CO sub-module posting (Cost Element, Cost Center, WBS element, Internal Order) and an FM posting (Commitment Item, Fund, Funds Center, Functional Area). This is the integration that enables reporting of a single transaction from multiple modules without entering the same transaction more than once.

Let's look at the example of a Logistics Invoice for sales tax on a vehicle purchase. An invoice to pay sales tax on one vehicle has two line items – the vendor line and the asset line. When you enter the vendor account number on the vendor line, AASIS derives the GL reconciliation account from the vendor master record, which then derives the commitment item from the GL account master record.

The asset line derives even more information. You don't enter a GL account – the GL account is derived from the asset class on the asset master record, and the GL account in turn derives both the commitment item and the cost element. The cost center is also derived from the asset master record, and from the cost center comes the fund, funds center, functional area and business area.

The resulting transaction appears on reports in multiple sub-modules:

- The GL sub-module because of the GL accounts
- The CO sub-module because of the cost center and cost element
- The AM sub-module because of the asset account
- The FM sub-module because of the fund, funds center, commitment item and functional area
- The SPL sub-module because all financial postings are transferred to the SPL

The chart below shows the different derivations possible for each master data element:

Entered by User	Derives								
	Business Area	Cost Center (CO)	Cost Element (CO)	General Ledger Account (GL) - Reconciliation Account	General Ledger Account (GL) - Non-Reconcilation Account	Commitment Item (FM)	Functional Area (FM)	Fund (FM)	Funds Center (FM)
Cost Center	X						X	X	X
General Ledger Account			X			X			
Fixed Asset Number	X	X	X	X	X	X	X	X	X
Cost Element									
WBS Element *	X						X	X	X
Internal Order									
Fund	Not entered by end user								
Funds Center									
Functional Area									
Commitment Item									
Vendor Master Record				X		X			

* Derivation depends on how master data is created.

What Are Internal Controls?

Internal controls are a checks-and-balances system designed into the business process to ensure system security, data integrity and accuracy, and the protection of the assets of the State of Arkansas (fraud prevention). Auditors review the internal controls in AASIS and in your agency to ensure that the financial information posted by your agency, and thus by the State of Arkansas, is reasonably accurate and not likely to lead to misstatement on the statewide financial statements (CAFR). Internal controls are part of every business process within AASIS, but your agency should also have internal control policies and procedures in place for activity that takes place outside of AASIS (*i.e.* the physical handling of cash).

The primary goals of internal controls in AASIS are 1) to ensure that no user can perform an entire business process without the knowledge and participation of at least one other person, and 2) to prevent users from using master data that does not belong to them (master data that is specific to a different business area). .

Security Roles

As an AASIS user, you have security roles assigned to your User ID. These security roles determine which transactions you can and cannot access, thus limiting what you can and cannot do once you get into AASIS. Security roles can also be used to control access to such global settings and master data as Business Area, Vendor Master Record and Vendor Account, and General Ledger Account.

Global Setting and Master Data Access

Global settings and master data are sometimes used to limit what you can post; the most common example is Business Area. Each agency is assigned to a business area in AASIS, and you should be mapped to security roles created for your business area.

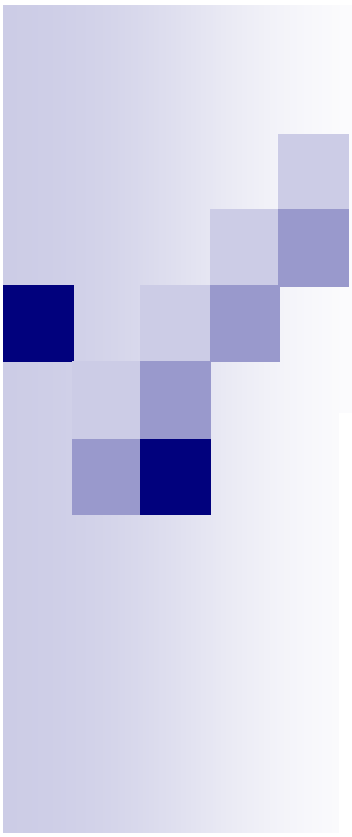
Master data can be made available for general use, or it can be restricted to only the personnel who perform specific business processes or who should be able to access sensitive information. Examples of restricted master data include the following:

- Document types ZF, ZG and ZH are used exclusively by the Funds Group in DFA-OA for revenue distribution. Only a few people at DFA-OA are the persons authorized by law to post revenue distribution, so these document types are reserved for their use.
- Some General Ledger Expense accounts are used exclusively by DFA and agency personnel who post asset information for "Reporting" agencies. Reporting agencies post most of their financial activity through inbound files rather than on-line access. They do not utilize the standard procurement process for purchasing assets and must have a way to record their asset balances in AASIS. On-line agencies (who should be using the standard procurement process) should not be allowed to use the reporting agency accounts and circumvent the procurement process.
- Vendor groups WISE and CRIS are used to produce payments for DHHS and DWS programs that contain sensitive information. The ability to create and change the vendor master records and to post and display the payments is restricted to a few users at DHHS and DWS.

This type of master data restriction is accomplished through the use of authorization groups on the master data records. The authorization groups are then added to security roles, and the security roles are mapped to the

appropriate users. You will not be able to park, post, change, display, etc. restricted master data unless you are mapped to the appropriate security role(s).

An error message stating, “You are not authorized to…” normally means you are trying to access a transaction or use a piece of master data that is not included in any of your security roles. If you get this error message, first look at what you have entered or are trying to post and decide if it is correct. If it is, contact your agency’s security liaison to find out what is missing from your security roles.



Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 4
Matching the Invoice to the Purchase Order

Why Am I Paying this Invoice?

Your agency purchased and received goods or services using the AASIS purchasing process. Both a purchase order and a goods receipt exist.

Rocky's Vertical Exercise Experience
77 Hangon Road
Seattle, WA 98107

INVOICE

Invoice Number: 55775
Your Purchase Order: 4500001015
Invoice Date: 6/23/2006

1 Exercise Machine (Ab Cruncher).....$150.00
5 Pr. Dumbbells.....50.00
Sales Tax.....15.00

Total.....$215.00

What Do I Need to Know Before Paying this Invoice?

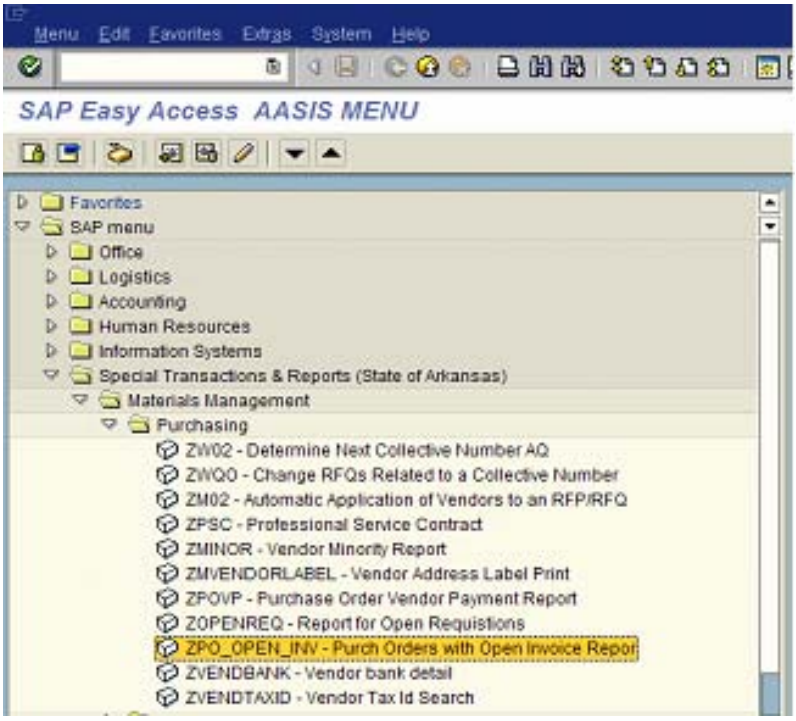
You will need the Purchase Order Number. You will need to view the goods receipt to make sure that the quantity of goods that you are being billed for matches or does not exceed the quantity of goods received. You will need to view the tax code on the purchase order to make sure it matches the tax charged on the invoice.

Where Do I Find the Purchase Order Number?

Use the ZPO_OPEN_INV report to get a list of goods receipts that have been posted without an invoice.

This report lists purchase orders for which goods receipts have been posted with no corresponding invoice receipt (MIRO). Possibly there is not corresponding invoice receipt because Transaction FB60 was used by mistake. Check with your agency's Accounts Payable person.

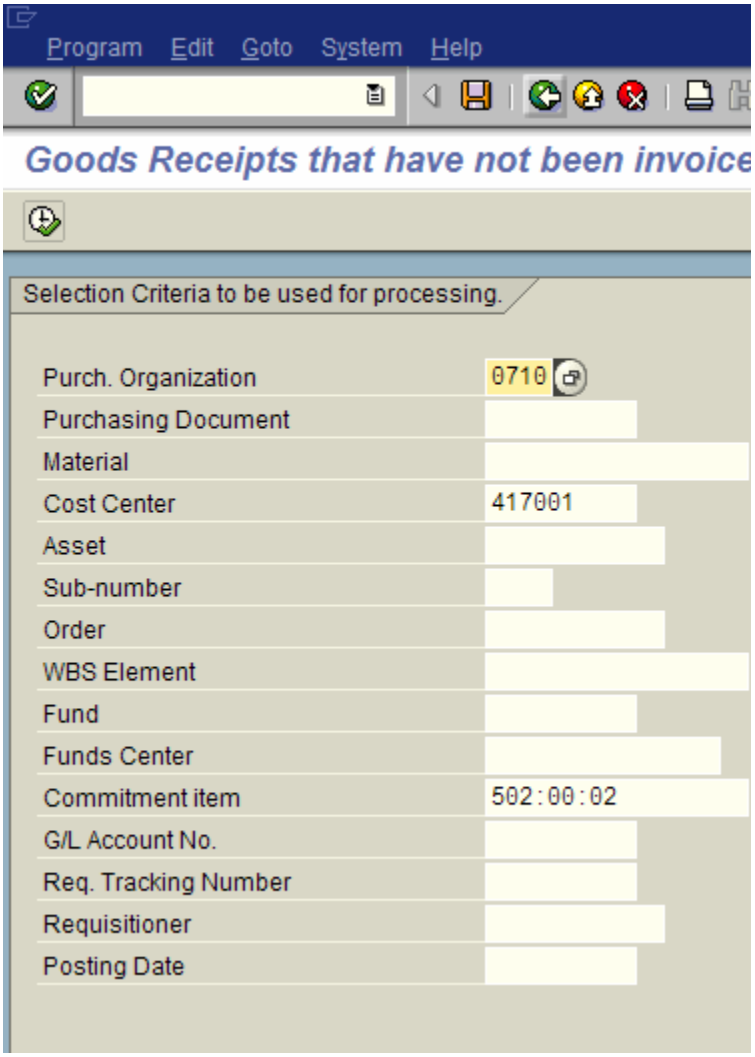
This report looks at large amounts of data, so users should be specific in making report selections (run by cost center, if possible).



Selecting the Report

In this example, search criteria are purchasing organization, cost center and commitment item. Note the other options and the option of searching by range or multiple selections.

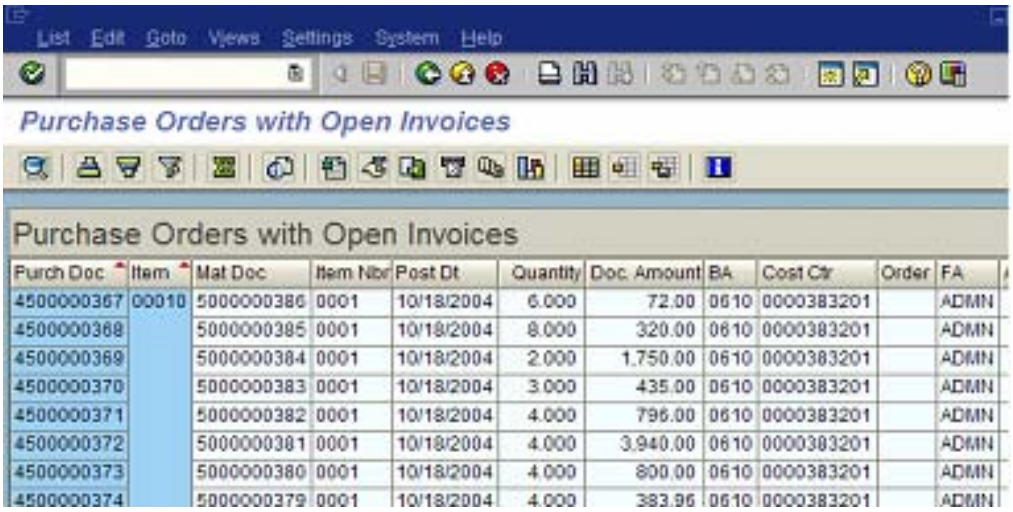
Execute to continue.



Viewing the Report

This report will display the purchase order and material document numbers, the posting date, quantity, amount, business area, cost center, internal order number (if applicable) and the functional area.

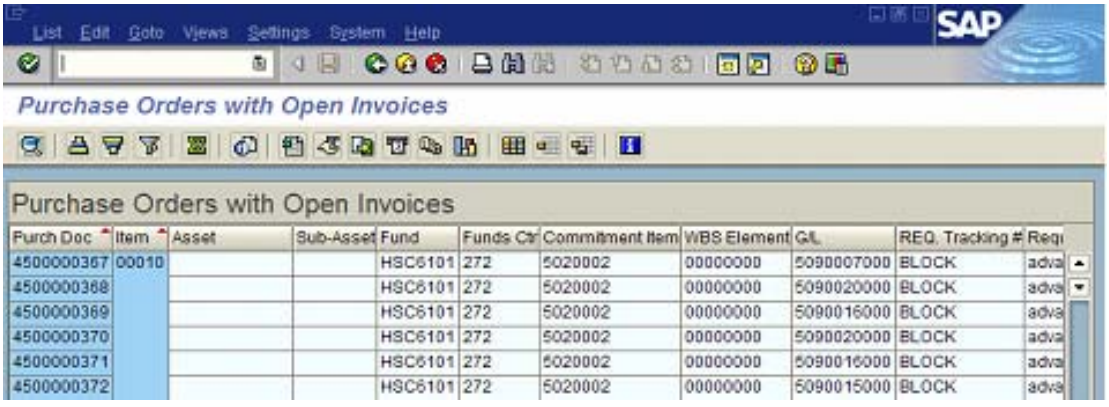
Scroll to the right to continue viewing.



Purch Doc	Item	Mat Doc	Item Nbr	Post Dt	Quantity	Doc. Amount	BA	Cost Ctr	Order	FA
4500000367	00010	5000000386	0001	10/18/2004	6.000	72.00	0610	0000383201		ADMN
4500000368		5000000385	0001	10/18/2004	8.000	320.00	0610	0000383201		ADMN
4500000369		5000000384	0001	10/18/2004	2.000	1,750.00	0610	0000383201		ADMN
4500000370		5000000383	0001	10/18/2004	3.000	435.00	0610	0000383201		ADMN
4500000371		5000000382	0001	10/18/2004	4.000	796.00	0610	0000383201		ADMN
4500000372		5000000381	0001	10/18/2004	4.000	3,940.00	0610	0000383201		ADMN
4500000373		5000000380	0001	10/18/2004	4.000	800.00	0610	0000383201		ADMN
4500000374		5000000379	0001	10/18/2004	4.000	383.96	0610	0000383201		ADMN

This report will also display the asset or sub-asset number (if applicable), fund, funds center, commitment item, WBS element (if applicable), G/L code, tracking number and requisitioner.

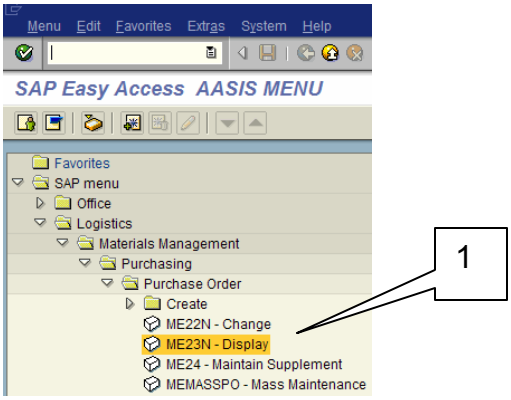
Remember, you cannot drill down from this report. If you want to display the purchase order, use transaction ME23N (instructions follow).



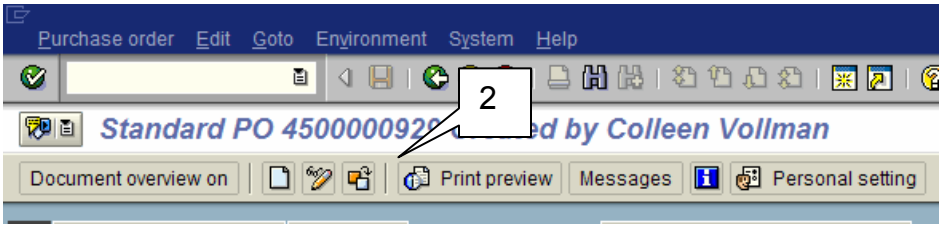
Purch Doc	Item	Asset	Sub-Asset	Fund	Funds Ctr	Commitment Item	WBS Element	G/L	REQ. Tracking #	Requ
4500000367	00010			HSC6101	272	5020002	00000000	5090007000	BLOCK	adva
4500000368				HSC6101	272	5020002	00000000	5090020000	BLOCK	adva
4500000369				HSC6101	272	5020002	00000000	5090016000	BLOCK	adva
4500000370				HSC6101	272	5020002	00000000	5090020000	BLOCK	adva
4500000371				HSC6101	272	5020002	00000000	5090016000	BLOCK	adva
4500000372				HSC6101	272	5020002	00000000	5090015000	BLOCK	adva

If the Purchase order you're looking for isn't on the ZPO_OPEN_INV report, chances are it hasn't had a goods receipt. You can search for it using transaction ME23N. You'll also use this transaction to view a purchase order that you located on the ZPO_OPEN_INV report. You can use the following steps to search for the purchase order:

1. Open transaction ME23N.

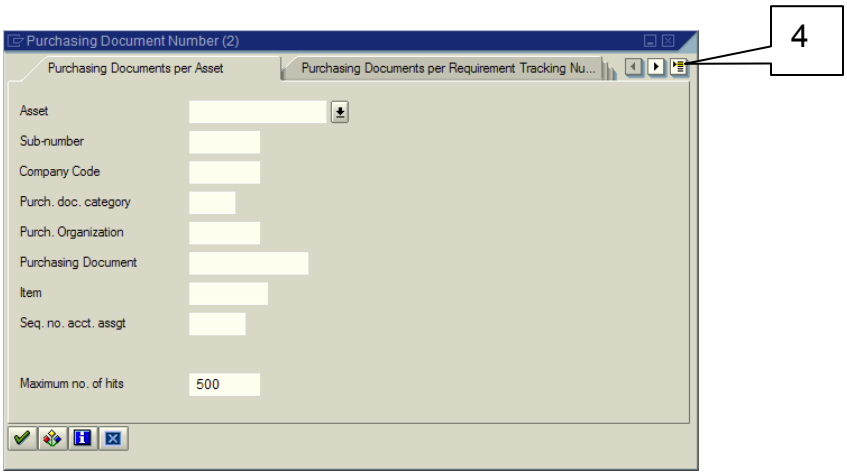


2. Click the "Other Purchase Order" button (or Shift F5).

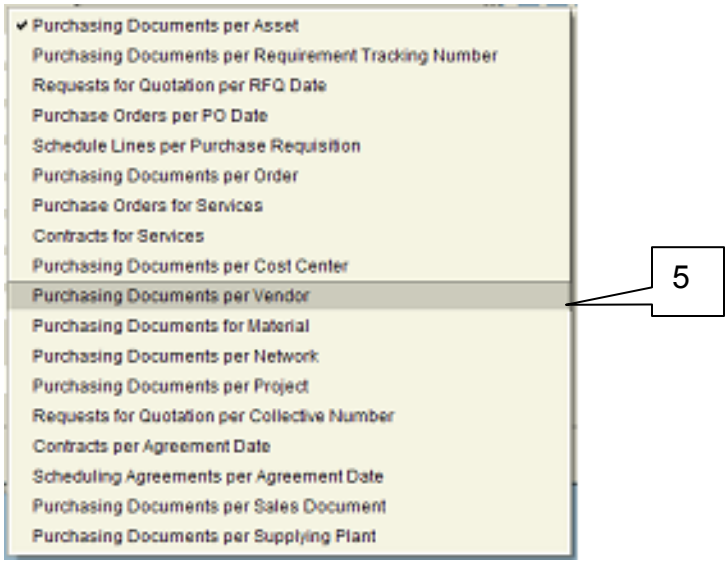


3. A box will pop up. Be sure that the Purchase Order radio button is selected and click the match code.

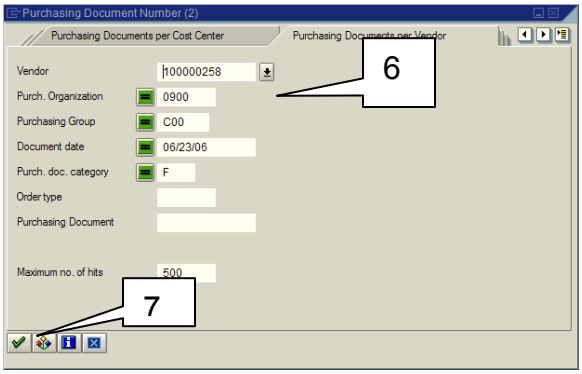
4. The “Purchasing Document (2)” screen will appear. Click the button on the far right to display the list of tabs for this screen.



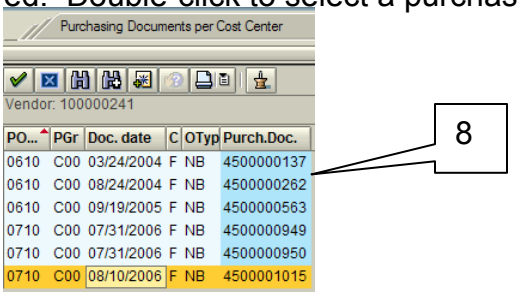
5. Choose the “Purchasing Documents Per Vendor” tab.



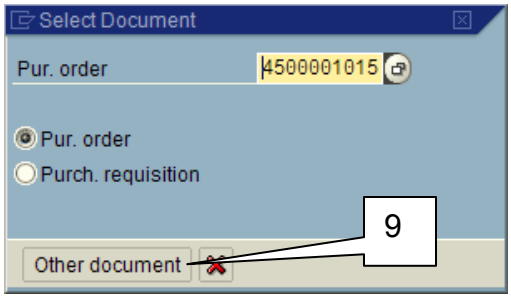
6. Enter as much information as you know on the tab. Most of the fields have drop-down search capability.
7. Click the green check or press the Enter key.



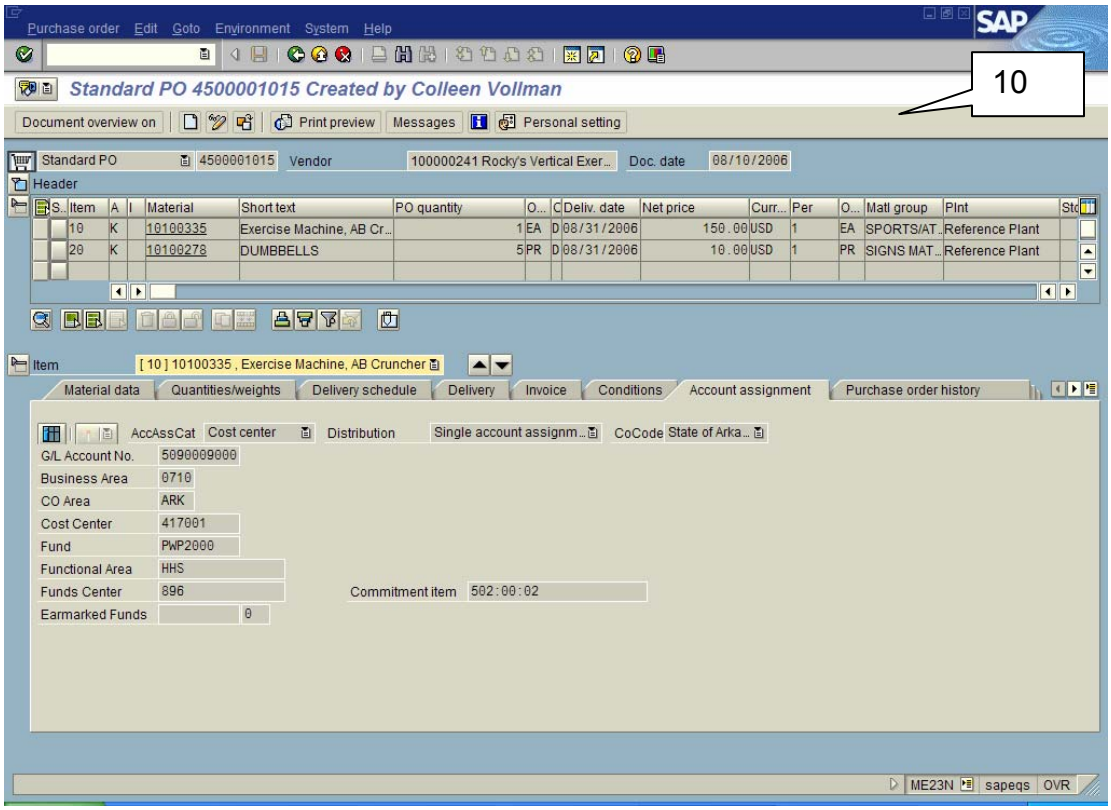
8. AASIS will return a list of purchase orders that match the criteria that you entered. Double-click to select a purchase order from the list.



9. Click the other document button

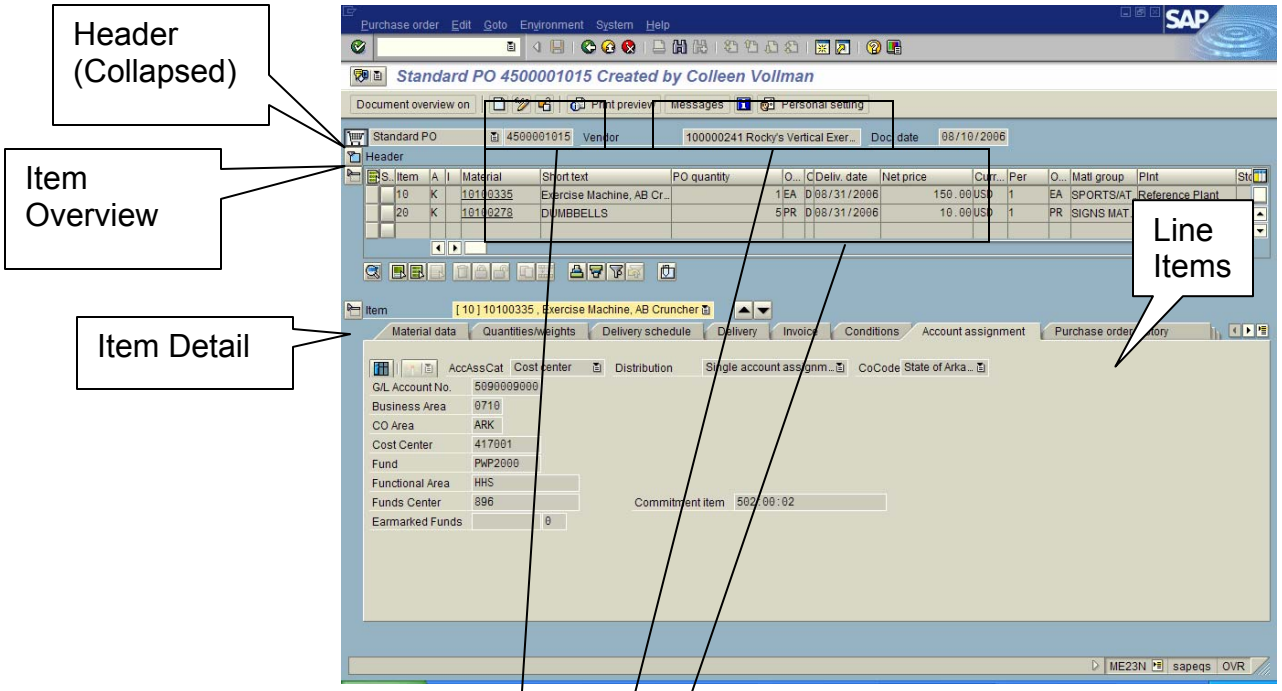


10. AASIS displays the selected purchase order. If the purchase order that you selected is not the right one, repeat the above steps and select another one from the list.



Now That I Have the Purchase Order, What Am I Looking For?

There will be three sections on the purchase order—the header, the item overview and the item detail. The invoice that you are paying may be for all or part of the items on the purchase order. Compare your invoice to the line items on the purchase order.



Rocky's Vertical Exercise Experience
77 Hangon Road
Seattle, WA 98107

INVOICE

Invoice Number: 55775
Your Purchase Order: 4500000831
Invoice Date: 6/23/2006

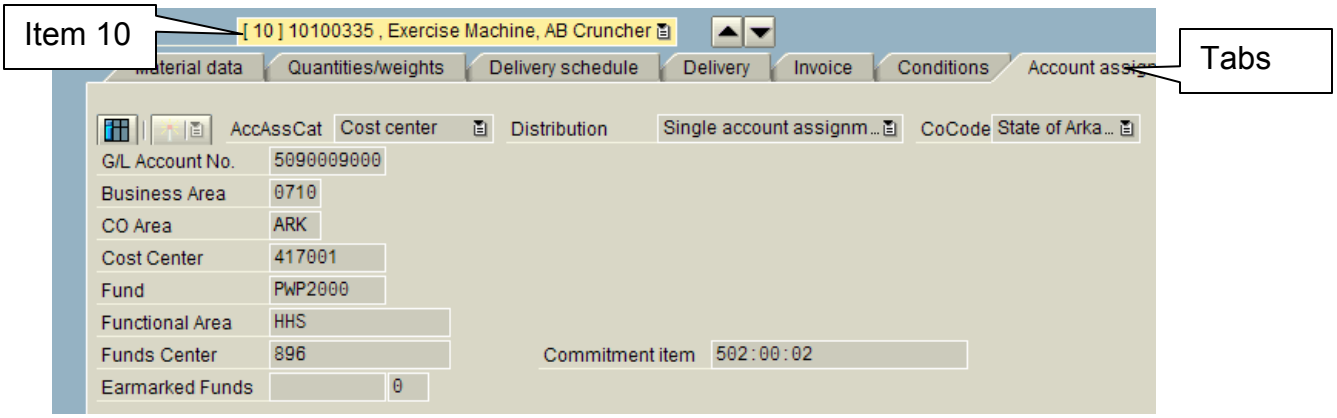
1 Exercise Machine (Ab Cruncher).....$150.00
5 Pr. Dumbbells.....50.00
Sales Tax.....15.00

Total.....$215.00

This seems to be the right Purchase Order. The Purchase order number, vendor, and products ordered agree with the invoice.

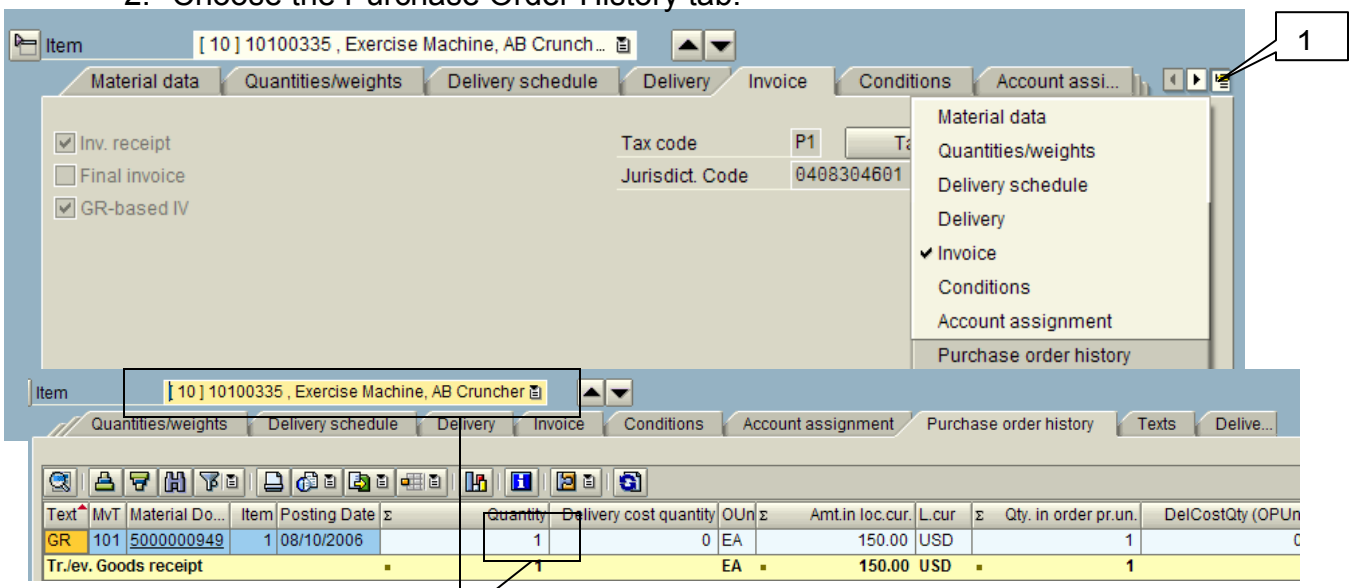
Next, you'll want to check the goods receipt and the tax code. These items are both contained in the Item Detail section. If the detail section is collapsed, click the Expand button next to the item detail section to display it.

The item detail section displays one item at a time. In this example, item 10 (the first item) is selected. Tabs on the display let you view different types of information.



You'll want to check to make sure the quantity of goods that you are being billed for matches or does not exceed the quantity of goods received. This information is available on the Purchase Order History tab.

1. Click the available tabs button.
2. Choose the Purchase Order History tab.



Rocky's Vertical Exercise Experience
77 Hangon Road
Seattle, WA 98107

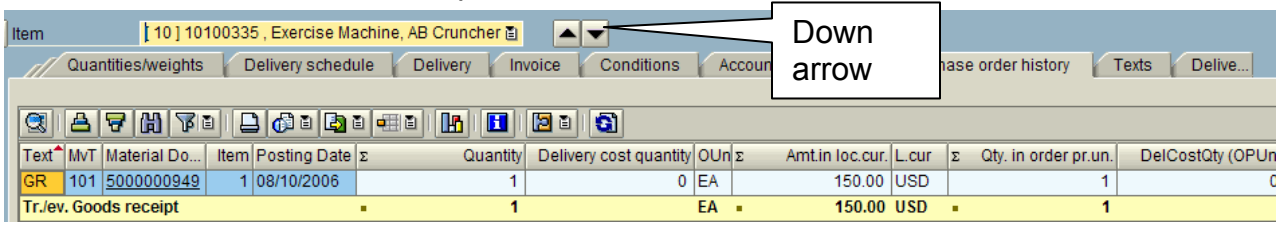
INVOICE

Invoice Number: 55775
Your Purchase Order: 4500001015
Invoice Date: 6/23/2006

1 Exercise Machine (Ab Cruncher).....$150.00
5 Pr. Dumbbells.....50.00
Sales Tax.....15.00

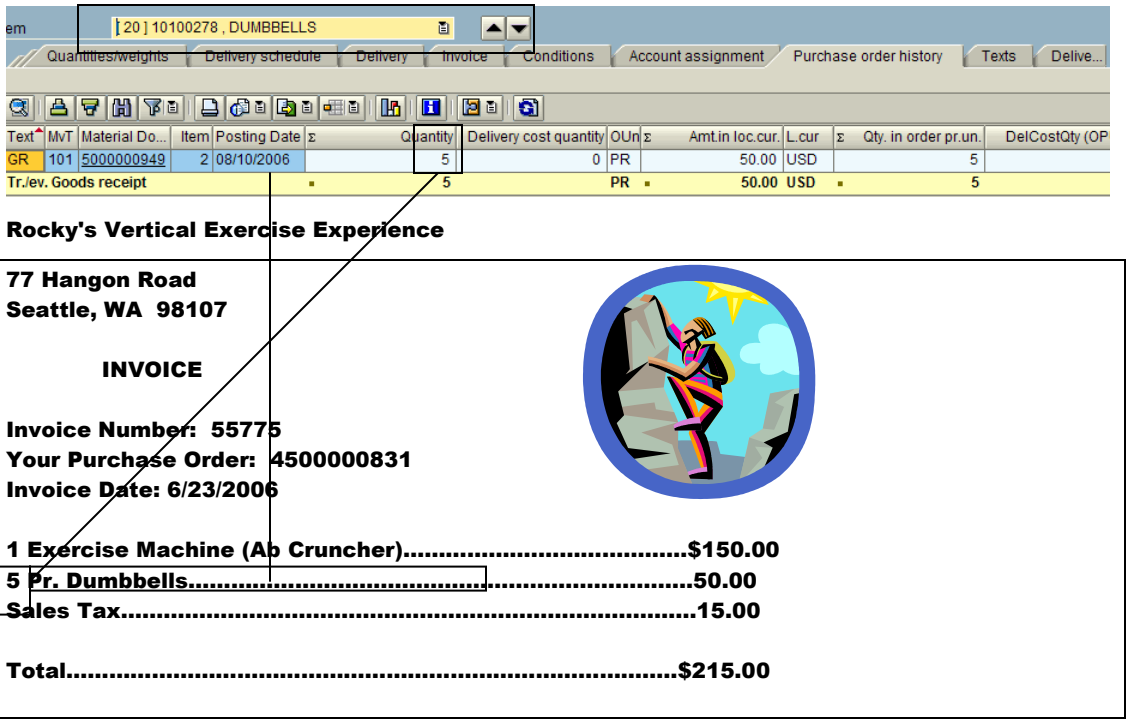
Total.....$215.00

One Ab Cruncher Machine was ordered and one is being invoiced. The goods receipt and the invoice for the first item match. Click the down arrow to view the second item on the purchase order.

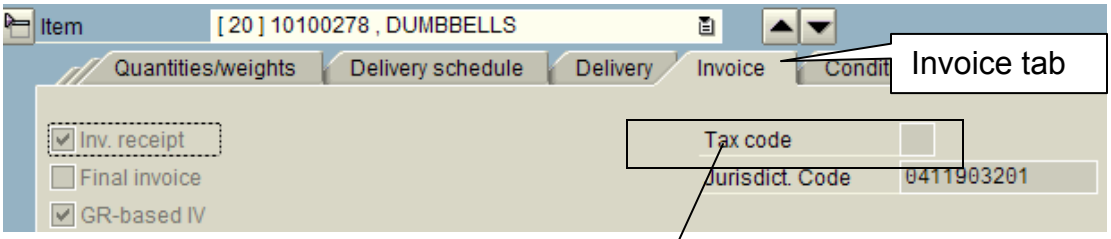


The second item on the purchase order displays.

Compare the quantity received on the purchase order history tab to the amount billed on the invoice.



Five pairs of dumbbells were ordered and five are being invoiced. The goods receipt and the invoice for the second item match. The next thing to check is the tax code to see if the tax code on the purchase order agrees with the type of tax on the invoice. Click the Invoice tab on the purchase order to view the tax code.



The tax code on the purchase order should be P1, since the sales tax is *included* on the invoice.

Rocky's Vertical Exercise Experience
77 Hangon Road
Seattle, WA 98107

INVOICE

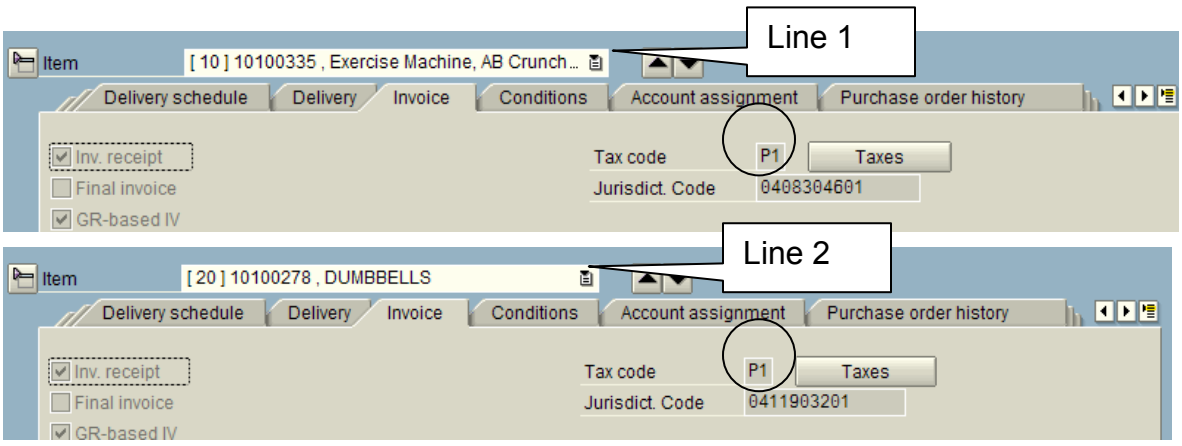
Invoice Number: 55775
Your Purchase Order: 4500001015
Invoice Date: 6/23/2006

1 Exercise Machine (Ab Cruncher).....$150.00
5 Pr. Dumbbells.....50.00
Sales Tax.....15.00

Total.....$215.00

Note that the tax code is *blank* on the purchase order. This is an *error* that will affect postings in the General Ledger. The goods receipt must be reversed, the purchase order must be corrected, and the goods receipt must be re-entered before the invoice can be posted. Follow the procedure at your agency for getting this done.

Once the error correction is complete, the tax code on both lines of the purchase order should match the invoice tax code.



How Do I Know What the Tax Code Should Be?

The Accounts Payable tax codes used in AASIS are:

P0 Tax Exempt

P1 Sales Tax

U1 Use Tax

If sales tax is included on the invoice, the P1 code is used. This tax code should appear on the purchase order and you should enter P1 on the MIRO document.

If sales tax is not included on the invoice, the item being paid for is either not subject to tax, or is subject to use tax.

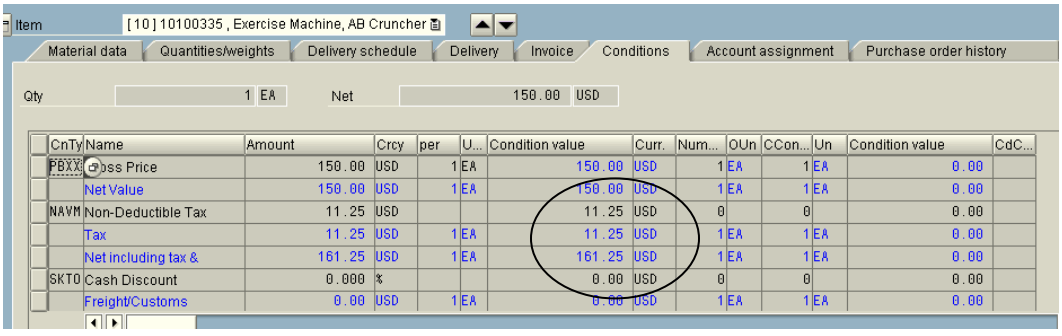
Items not subject to tax include goods purchased for resale, reimbursements such as employee travel expenses, and some services. If the item is not subject to tax, the code on both the purchase order and invoice should be P0.

Use tax is accrued on taxable items when the vendor (usually an out-of-state vendor) does not collect the tax. The U1 code allows AASIS to accrue the tax as a payable and debit the expense or asset item being paid for in the amount of the tax. In this case, tax code U1 should be indicated on both the purchase order and the invoice document.

If you aren't sure whether an item is taxable or not, contact the sales tax division at the Department of Finance and Administration, or visit DFA's tax web site http://www.arkansas.gov/dfa/excise_tax_v2/st_index.html and follow the links.

How Do I Know How Much Tax the System Calculated?

You can compare the tax computed by AASIS with the tax on the purchase order by clicking on the conditions tab.

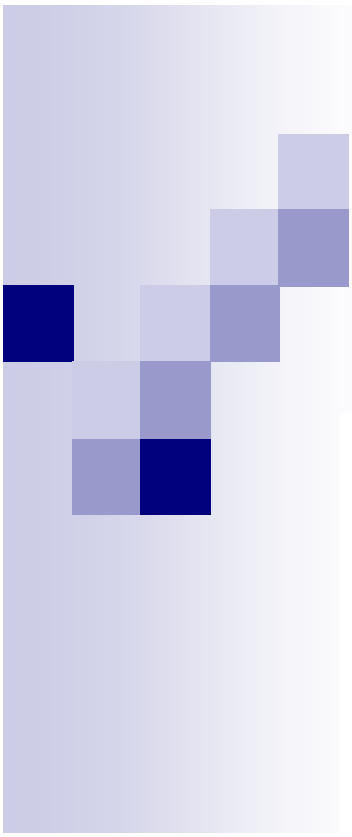


Note the tax calculated by the system.

What If the Tax Calculated by the System Is Different From the Tax on the Invoice?

AASIS will allow you to enter an invoice within 10% or $100 of the amount of the purchase order amount, whichever is less. This gives you some leeway on the tax calculation.

After verifying the lines on the purchase order, you are ready to proceed with the transaction MIRO to post the invoice.



Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 5
Entering the MIRO Invoice Verification with No Tax

How Do I Enter a MIRO Invoice Verification with A "P0" Tax Code?

You have received the following invoice from a vendor:

S. Keemo's Snow Cones, Inc.
22 Sugar Plum Lane
Little Rock, AR 72209

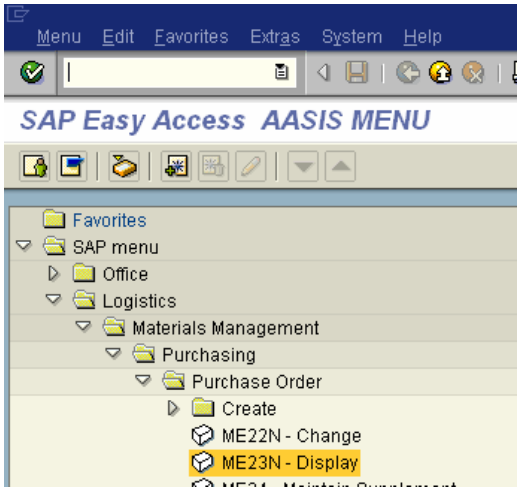
INVOICE

Invoice Number: 57683
Your Purchase Order: 4500001016
Invoice Date: 8/10/2006

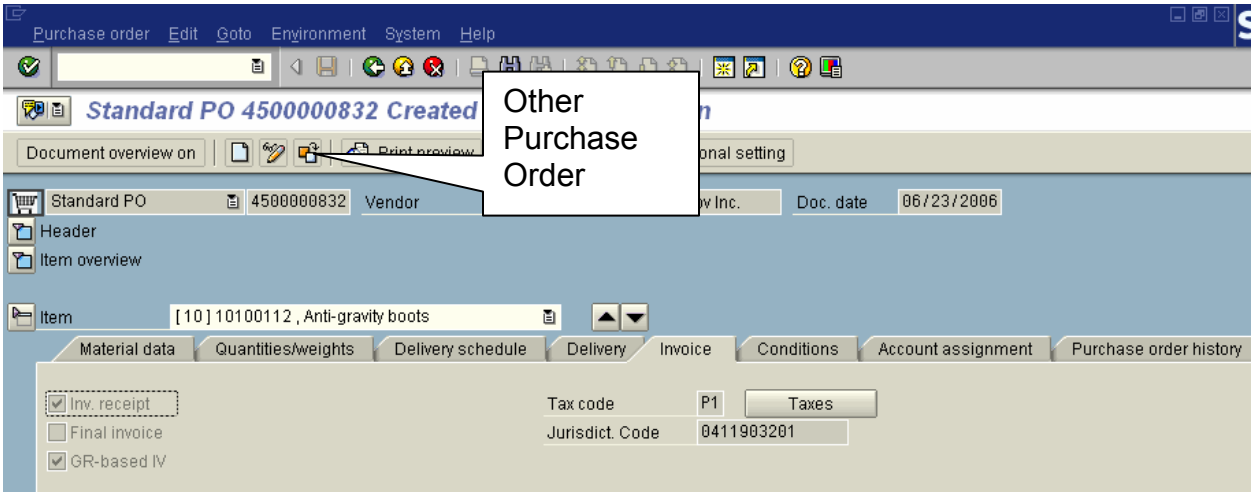
20 Bottles Cherry Syrup (for resale).....$150.00
Total.....$150.00

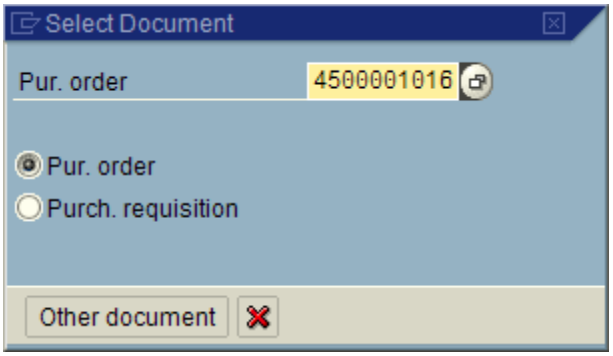
First, you need to locate the purchase order. The vendor has helpfully included the purchase order number on the invoice.

Use transaction ME23N (Menu Path: Logistics>Materials Management> Purchasing> Purchase Order> Display



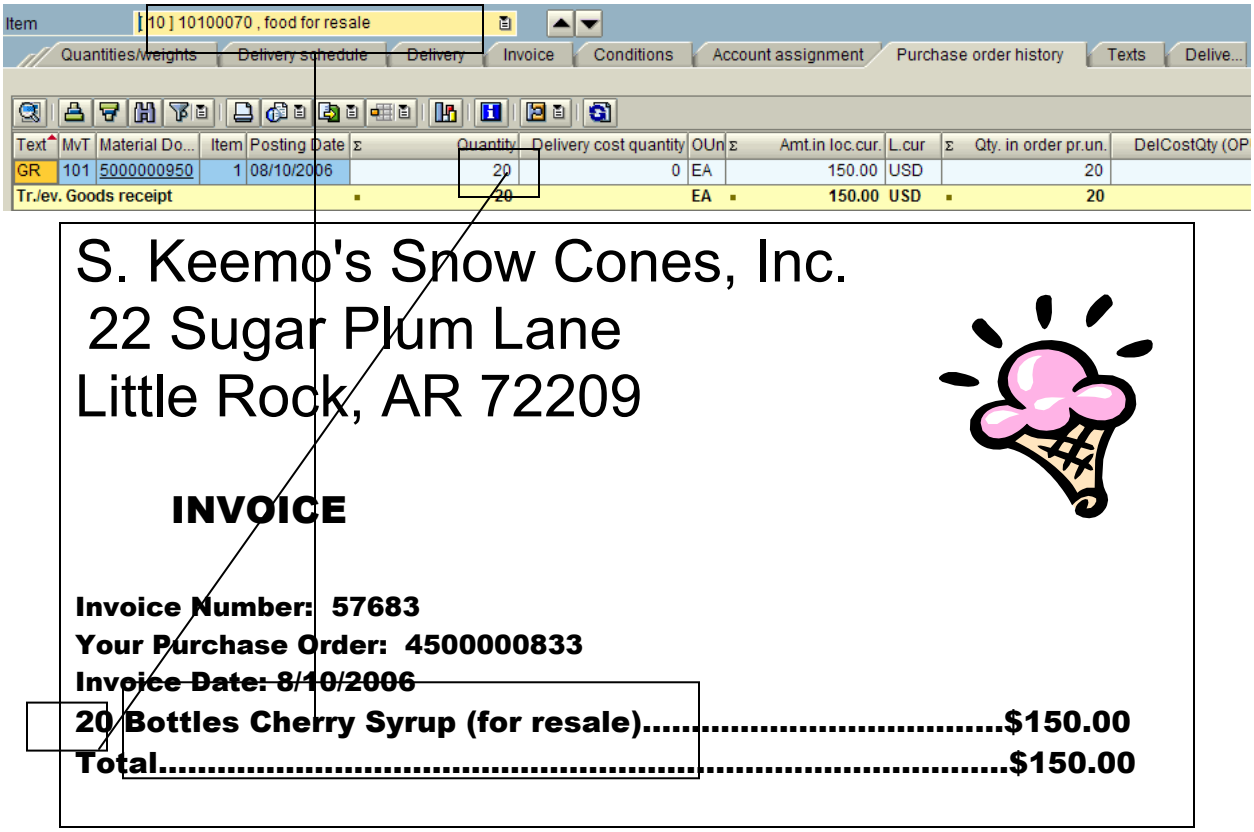
Click the “other purchase order” button to enter the PO number.





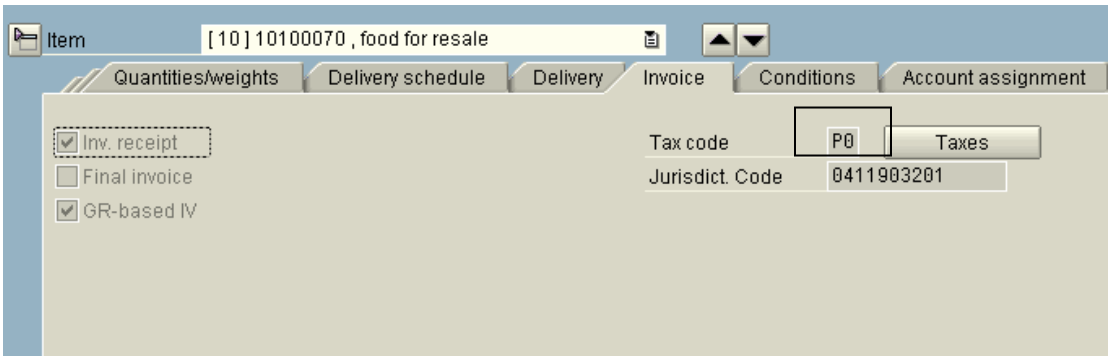
Enter the purchase order number if you know it, or use the match code to search. Click the other document button. The purchase order associated with your invoice should now display.

Open the sections as necessary. On the item detail section, choose the Purchase Order History tab. Compare the quantity of goods received with the quantity of goods on the invoice.



The goods receipt agrees with the invoice. Food for resale was ordered, Food for resale is being billed. Twenty bottles were ordered, twenty bottles are being billed.

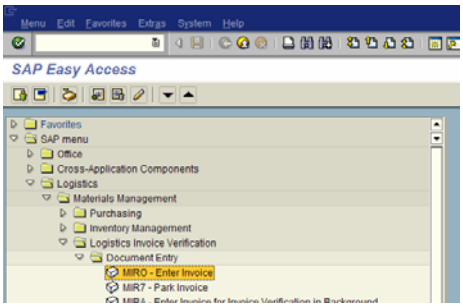
Next, you'll need to check the tax code. There is no tax on the invoice, which is correct. The State does not pay tax on items purchased for resale, so the tax code should be P0 (tax exempt). Click the Invoice tab on the purchase order to verify that the tax code is P0.



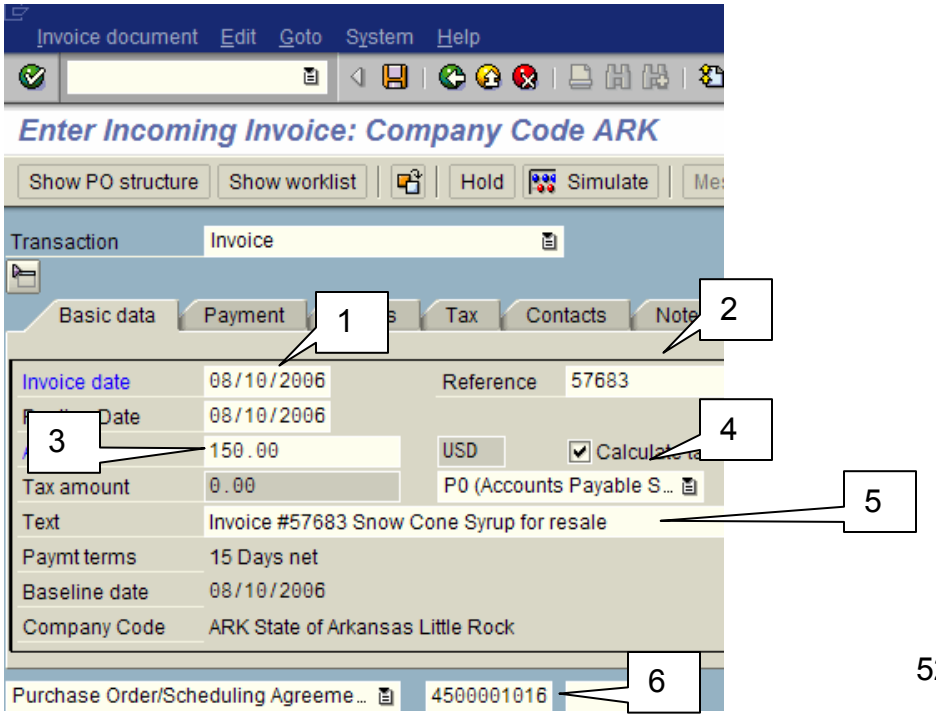
Accounts Payable Basics – Logistics Invoice Verification Process
Chapter 5 – Entering the MIRO Invoice Verification with No Tax

Now that you have verified that the invoice matches the purchase order, you are ready to continue with transaction MIRO. You'll want to keep the purchase order displayed, so open another session of AASIS to enter the MIRO.

Use the MIRO transaction to enter the invoice.

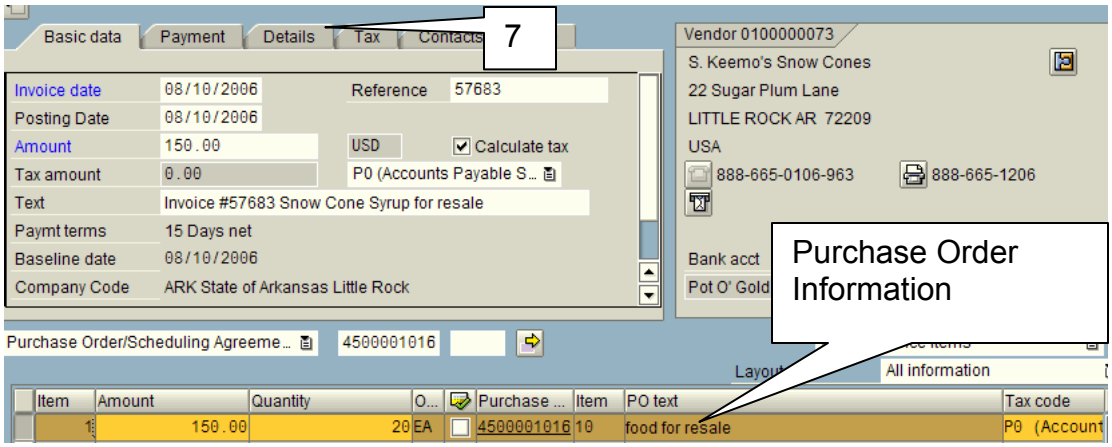


1. On the Basic Data Tab, enter the Invoice Date. This will be used as the baseline date in calculating the date that the invoice will pay.
2. In the Reference field type the vendor's invoice number. The system will check that field for duplicate invoices.
3. Enter the amount due to the vendor, in the Amount field.
4. Select the "P0" (tax exempt) tax code and Calculate tax..
5. In the text field you may enter any text (up to 50 characters) that you wish to have appear on the remittance.
6. Enter the Purchase Order number. If you didn't know the purchase order number, you could use the match code to search.

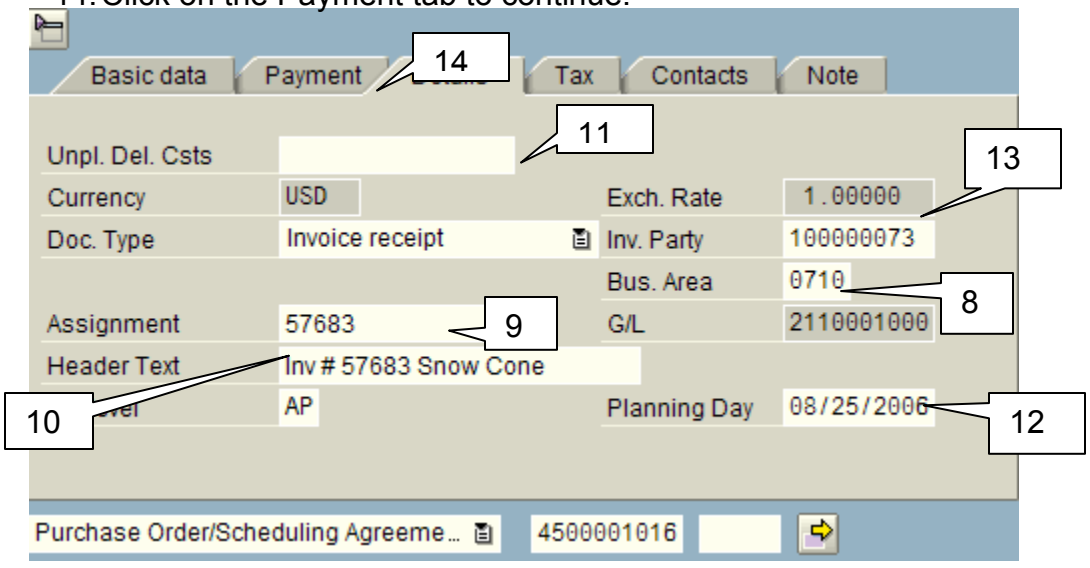


When you press the enter key the purchase order information will be copied into the invoice.

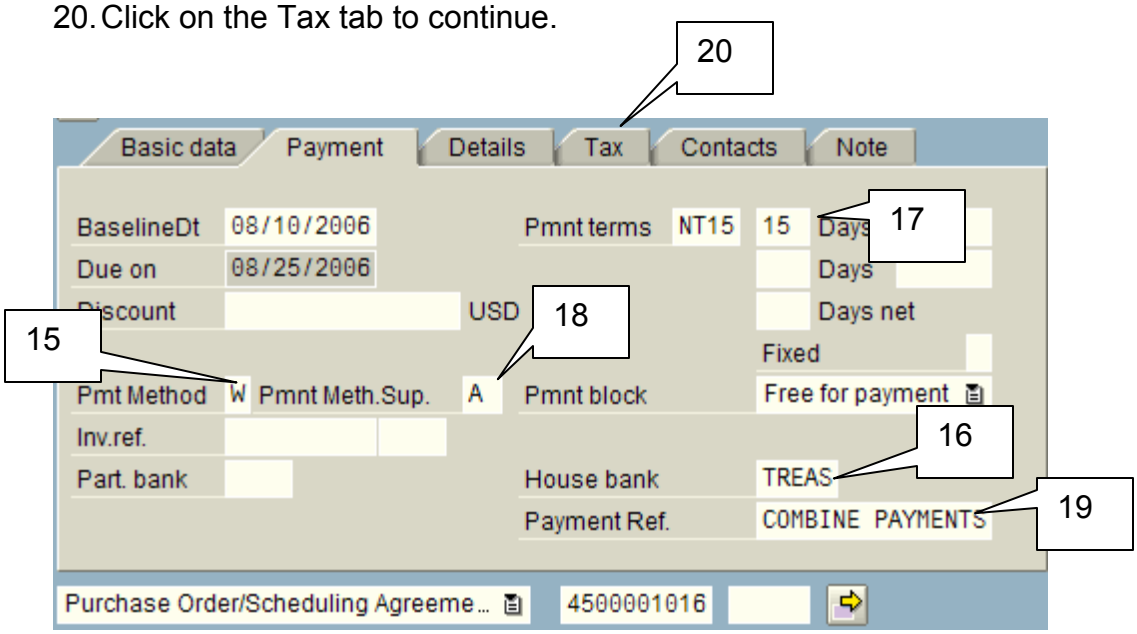
7. Click the Details tab to continue.



8. The only required field on the Details tab is the Business Area.
9. Enter information in the assignment field. The assignment field will print on the remittance. The recommended entry is the invoice number.
10. Enter information in the Header Text field. Header texts will also print on the remittance.
11. If the vendor charged delivery costs that were not included on the purchase order, enter them in the Unpl. Del. Csts. field.
12. The Planning Day field date is defaulted from the PO and is system derived. Do not change this field. The date will not affect the payment.
13. The vendor number is derived from the purchase order.
14. Click on the Payment tab to continue.

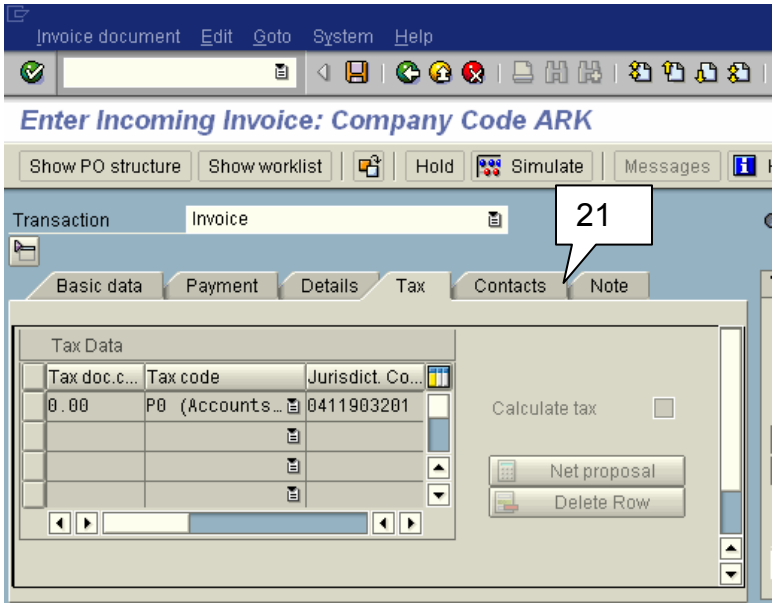


15. The Pmt. Method field is a required field. Enter "W" for warrant being paid from a treasury account. Enter "C" if the invoice is being paid by check from the agency bank. Enter "A" for a direct deposit from Treasury into the vendor's account.
16. The House Bank is also a required field. Enter TREAS if the invoice is payment methods "A" & "W" being paid from a treasury account. Enter your AASIS house bank if payment method is "C" an being paid from an agency cash account.
17. Check the Payment terms field. Change the payment terms as desired. AASIS will pay the vendor on the date based on the number of days you select from the baseline date. Only payment terms that begin with NT and payment terms 0001 are valid for accounts payable.
18. The Payment Method Sup. Field is used to mark the warrant for pickup, request grouping by business area, or request not to print payment advice.
19. The payment reference field is used to control the number of payments sent to the vendor. Make an entry in this field to generate a separate payment for this invoice. To combine all invoices in one payment, leave it blank or enter the same reference for multiple invoices to be combined.
20. Click on the Tax tab to continue.



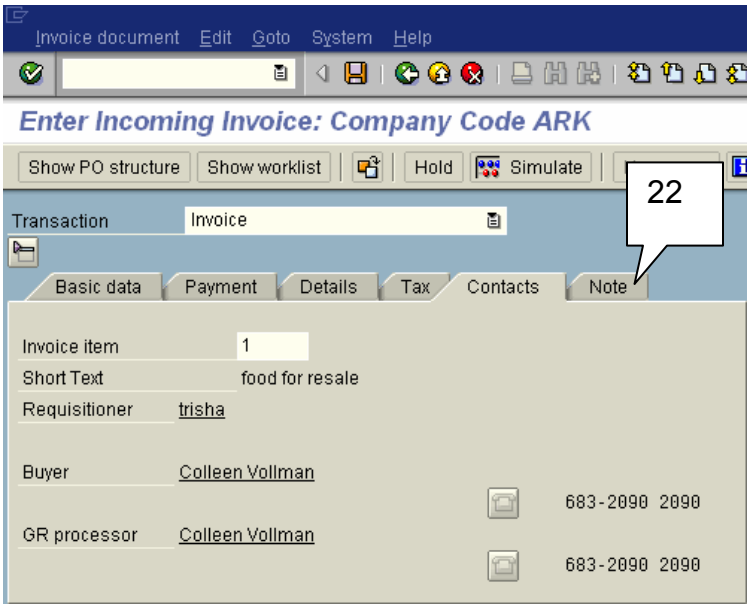
No entry is required. Tax data is copied from the basic data tab.

21. Click on the Contacts tab to continue.

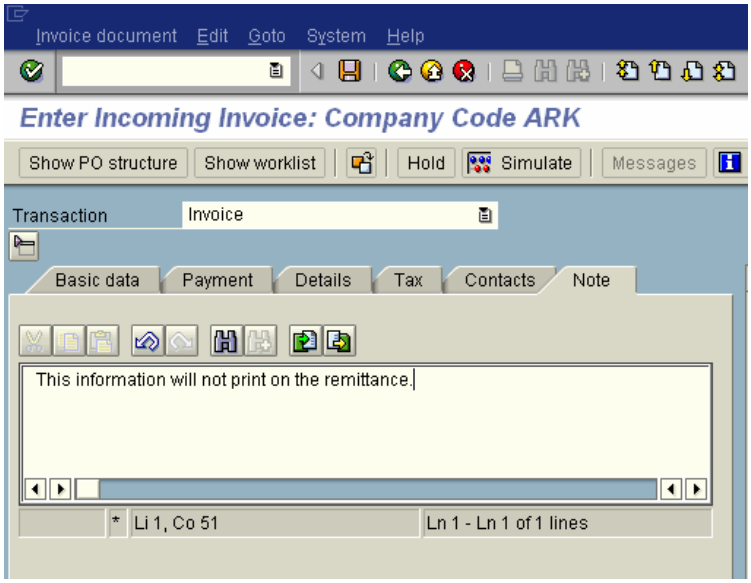


You can view contact information from the Contacts tab. If you have a problem with a line item on the invoice, you can look at this tab to know who you can contact.

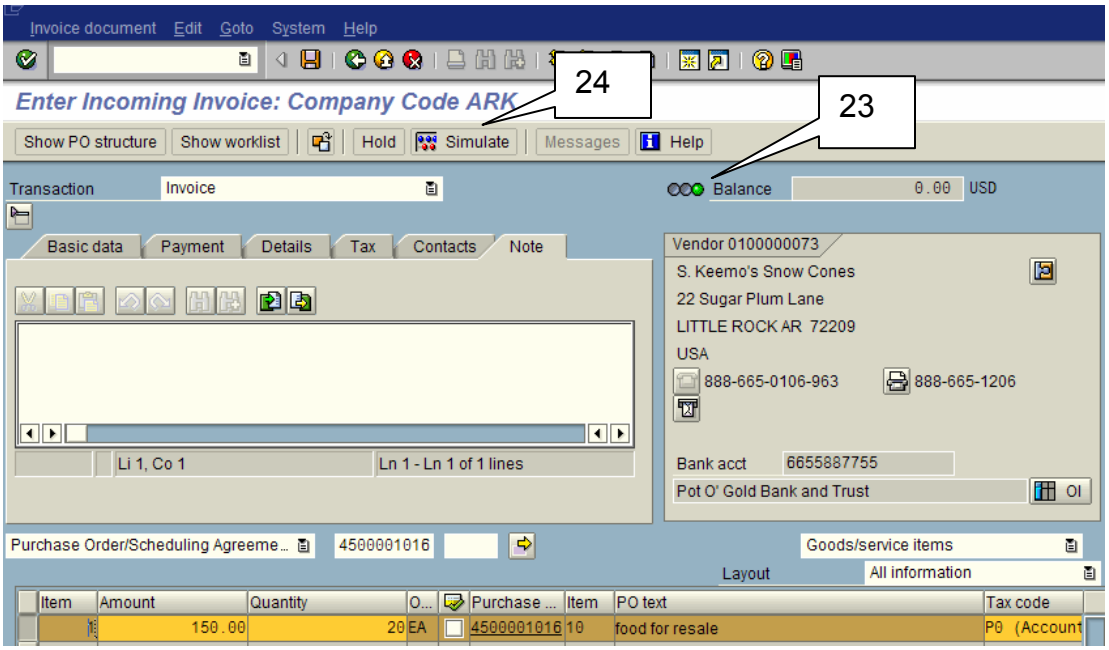
22. Click on the Note tab to continue.



You can enter notes on the Note tab. This information is for internal use only; it does not print on the invoice or remittance.

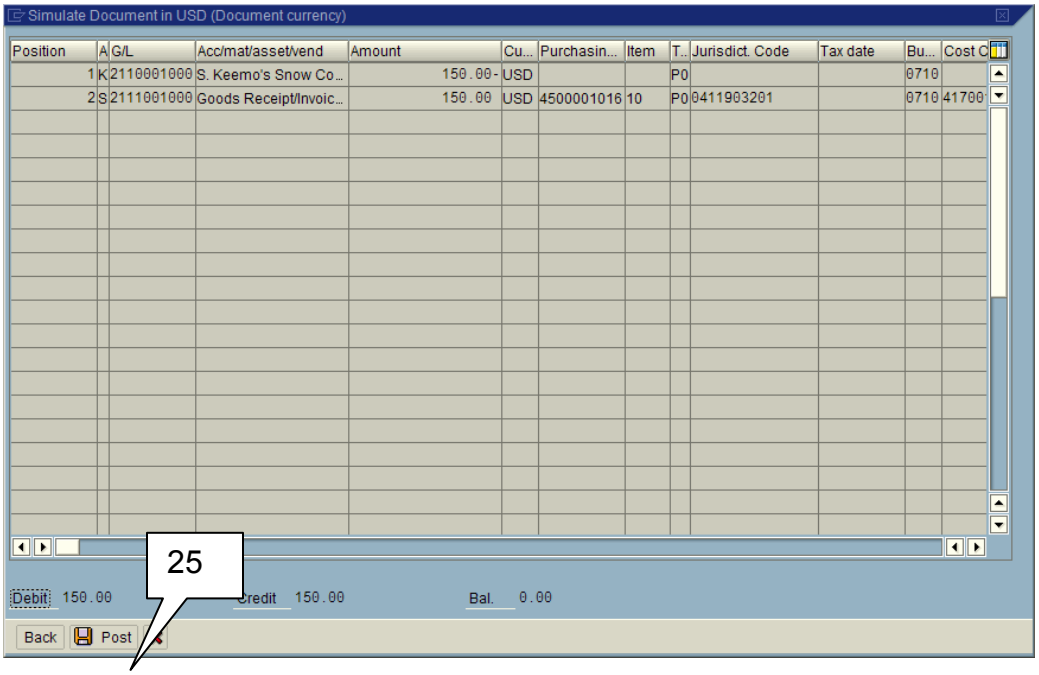


23. When the document is balanced between debits and credits, the stoplight style indicator will show green and the balance will show “0”.If the stoplight style indicator shows red or yellow the document has an issue. Reasons may be that there is a budget error, the document value is over the tolerance set (10% or $100.00), or the period is not open.
24. Click the Simulate Button to view the document as entered.

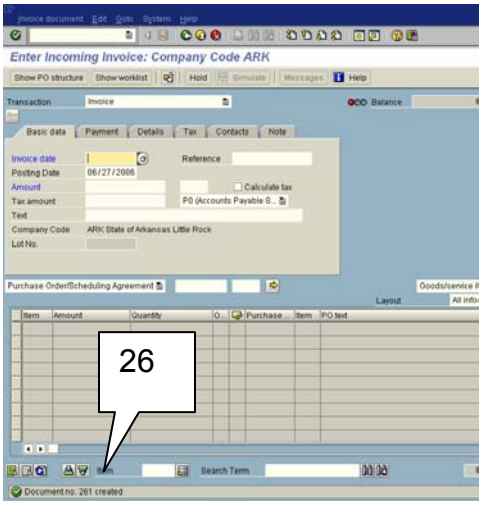


25. View the document. Verify that the cost center and GL code are correct before posting. You may post from this screen or hit the back button to make changes to the document.

NOTE: Verify that the cost center, fund, funds center and commitment item are correct before you post the document. If you see any errors, contact the person on the contact tab.

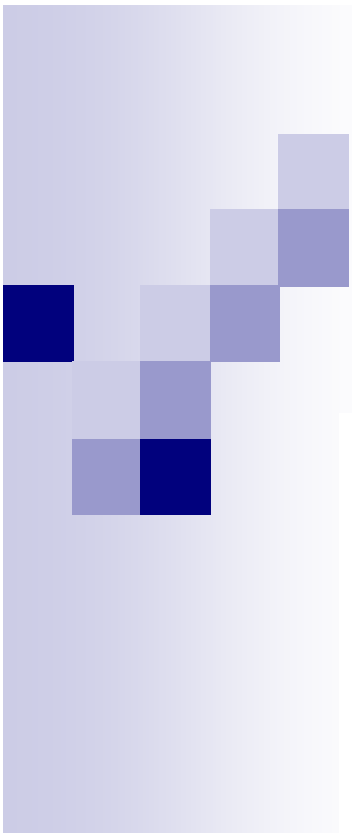


26. Note the document number at the bottom of the screen. This will be the MM document number. There will also be other document numbers created at the same time for the document posting in the FI, FM, SPL, and Controlling modules of AASIS.



Exercise:

Enter and post the MIRO for your assigned "No Sales Tax" P0 invoice.



Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 6
Vendor Master Data

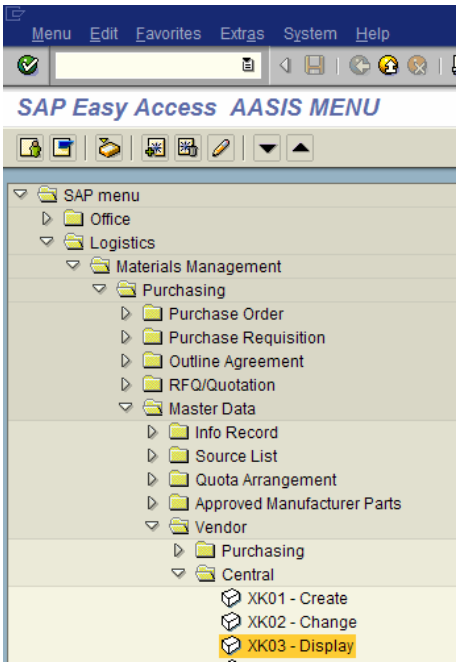
Vendor Master Data

Each vendor has a master record in AASIS that is maintained by the Office of State Procurement. The master record contains data that accounts payable end users call upon in processing transactions.

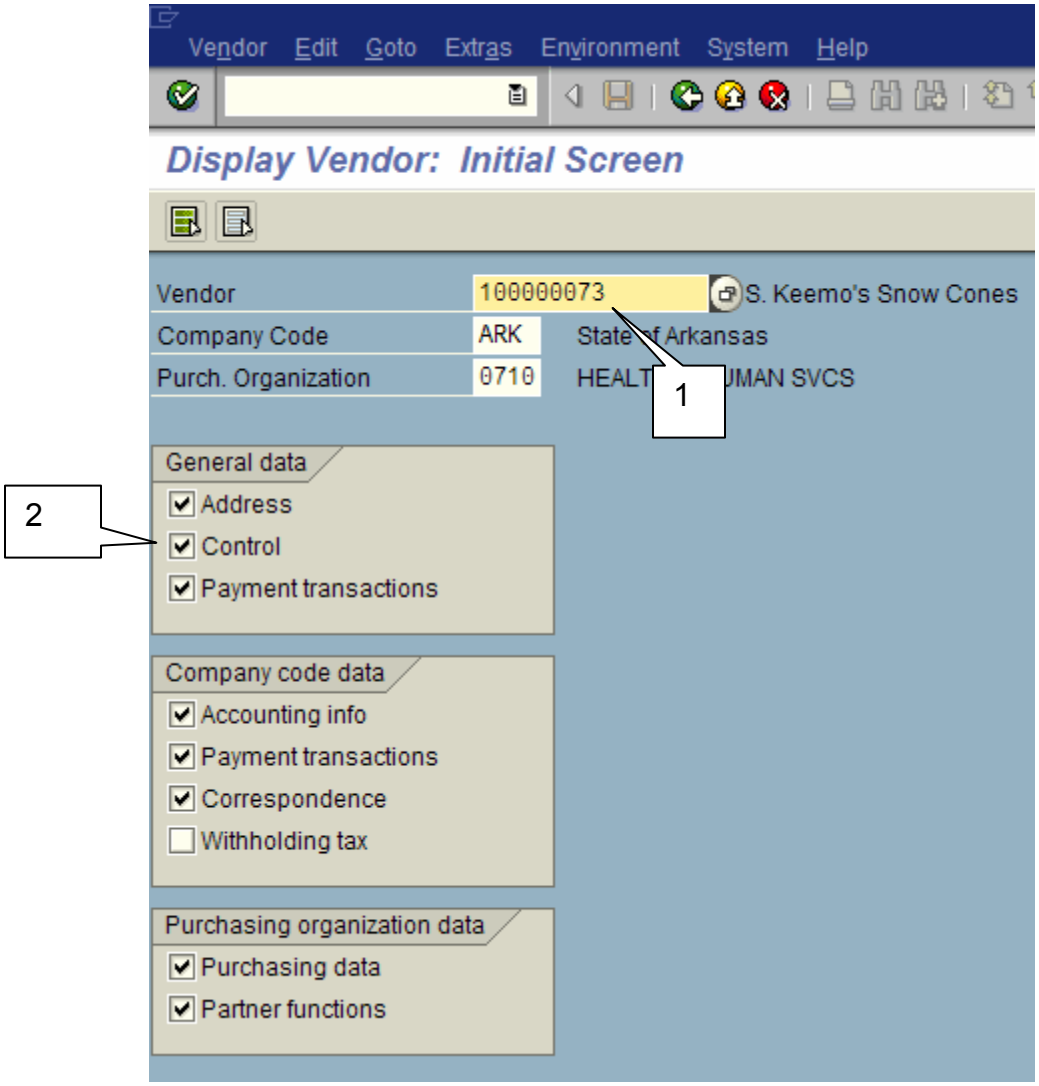
Viewing the vendor master data can help determine where to send the payment and what type of payment the vendor will take (warrant, check, ACH). You can check payment terms and find contact information for the vendor.

When there are multiple vendors with the same name (Office Depot, Wal-Mart, etc.) you can compare the remittance address on the invoice to the one on the master record.

To display the vendor master record, use transaction XK03.

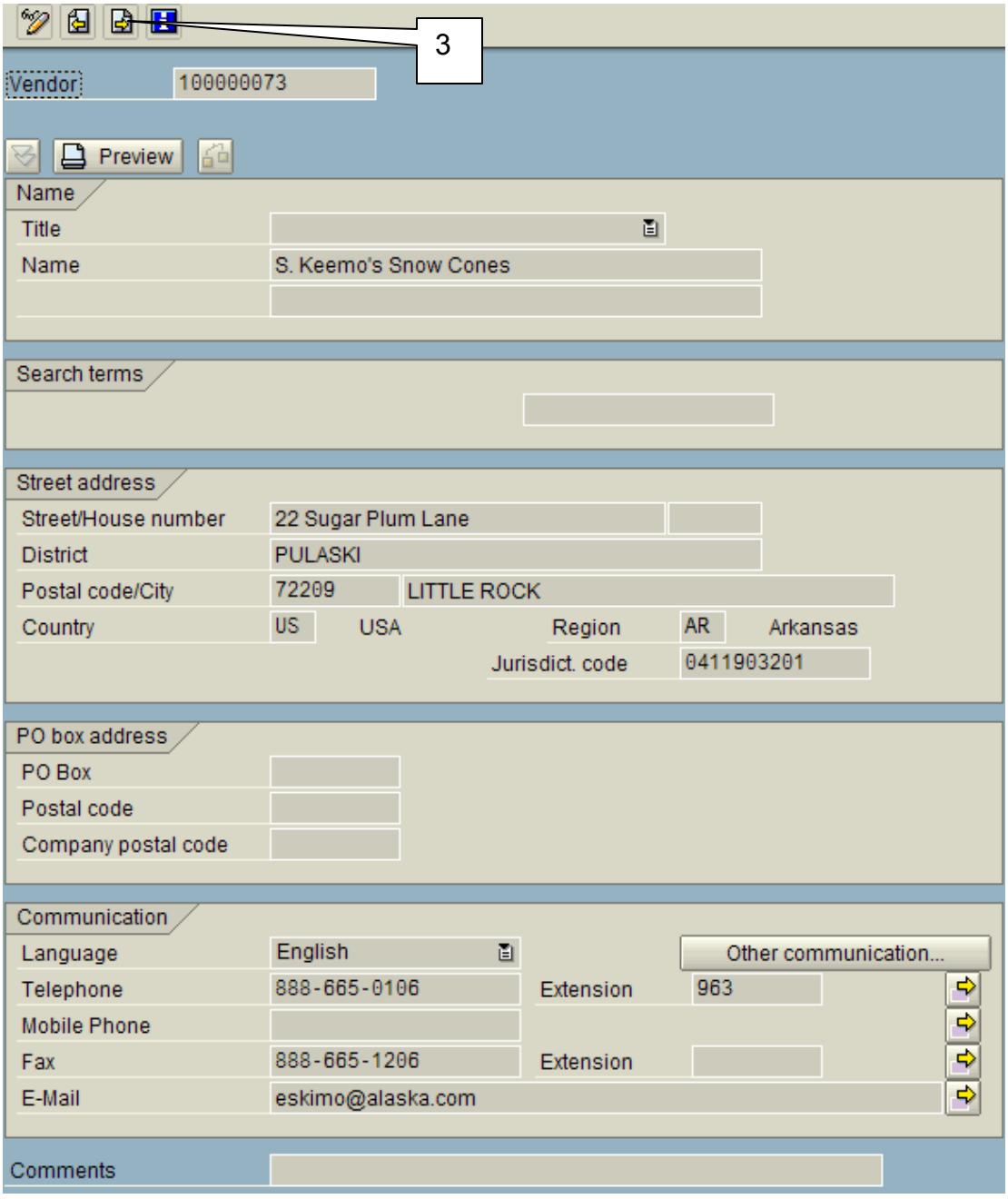


1. Enter the vendor number, or use the match code to search. Enter Company Code ARK and your Purchasing Organization (same as Business Area)
2. Click all of the checkboxes (except Withholding tax, which is not functional) and press the Enter key.

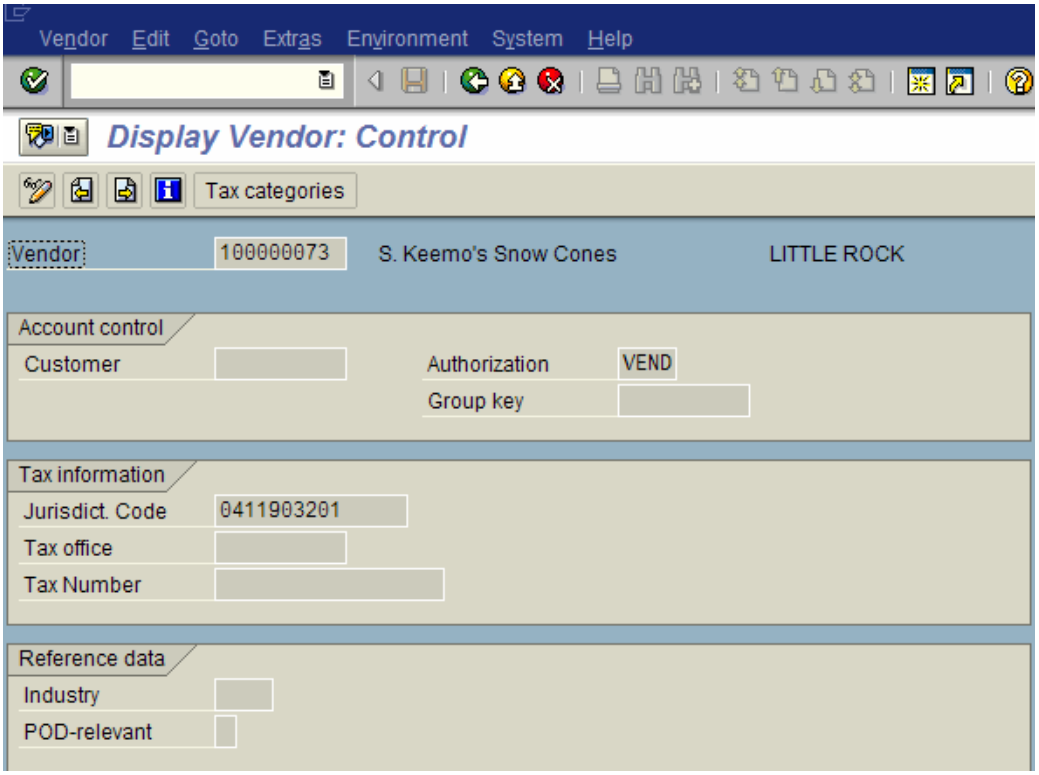


The first page displays the vendor's name and address. Contact information, if available, will be displayed at the bottom of the page.

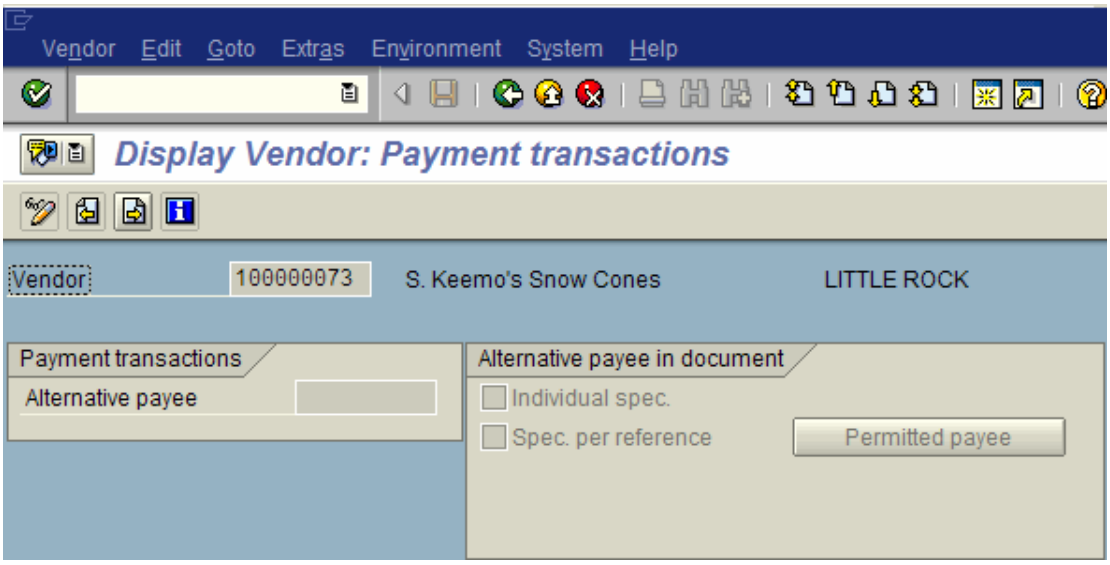
3. Click the Next page button to see more.



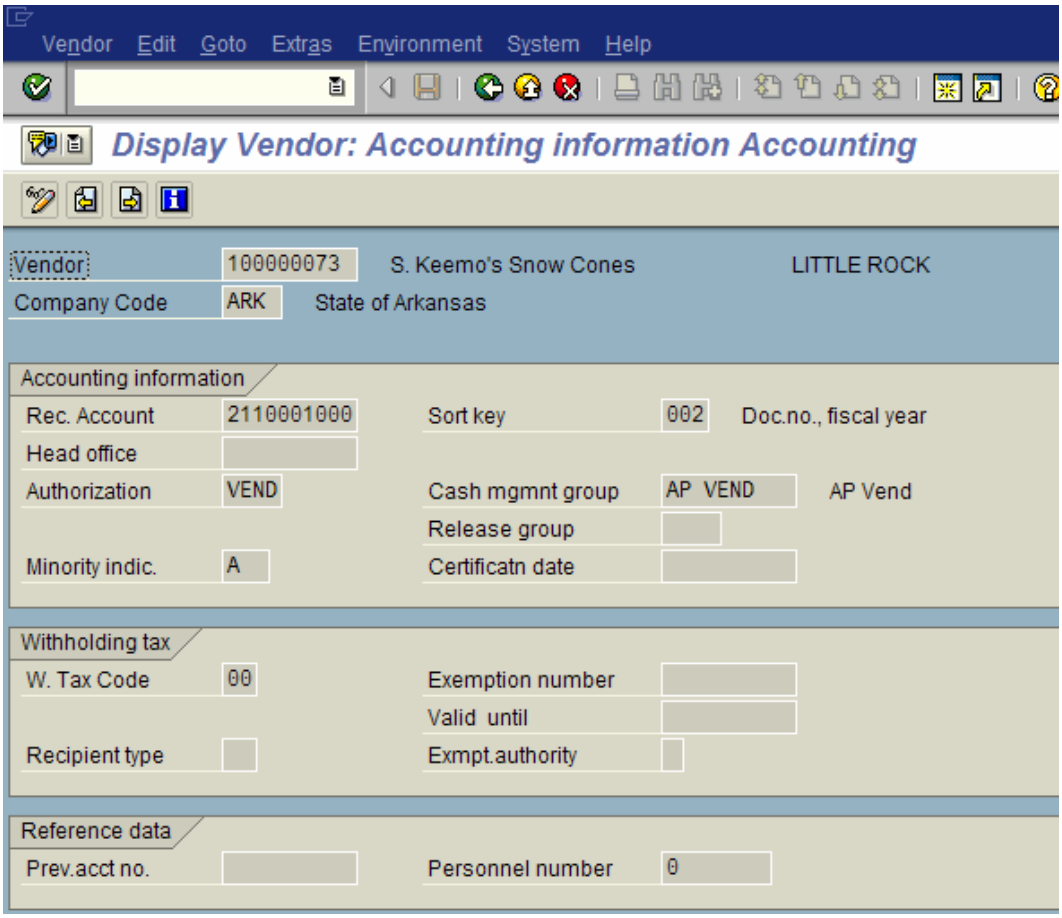
The jurisdiction code is used by the tax calculation software to determine the amount of sales tax applicable to the vendor location. Click the next page button to continue.



The alternative Payee screen is rarely used by AASIS. It may be used in case of garnishment of vendor payments. Click the next page button to continue.



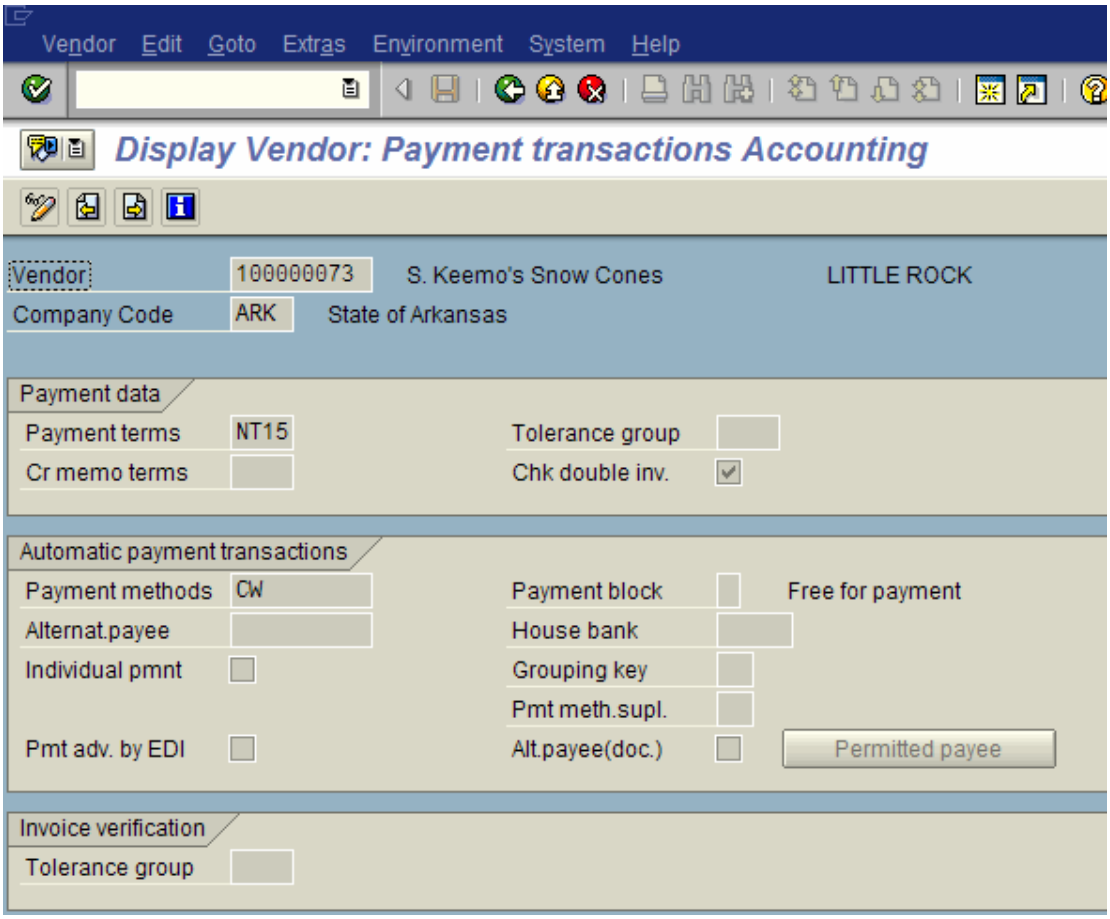
The accounting information screen displays the reconciliation account (vendor accounts payable). The Authorization designation tells what type of vendor it is (AP vendor, state agency, employee, etc.) This screen also displays the withholding tax code.



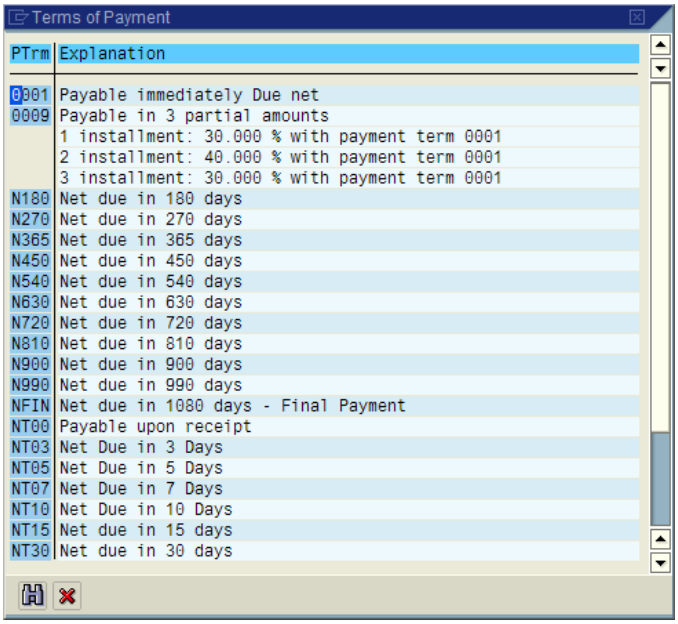
Withholding tax codes:

WT	Description
00	Exempt from 1099
01	Rents
02	Royalties
03	Prizes, awards
04	Federal income tax withheld
05	Fishing boat proceeds
06	Medical and health care payments
07	Nonemployee compensation
08	Substitute payments (dividends/interest)
09	Payer made direct sales of $5000 or more
10	Crop insurance proceeds
11	State income tax withheld
14	Gross Proceeds Paid to Attorneys

The Payment transactions accounting page displays the payment terms set up for the vendor and the payment methods that the vendor can accept.



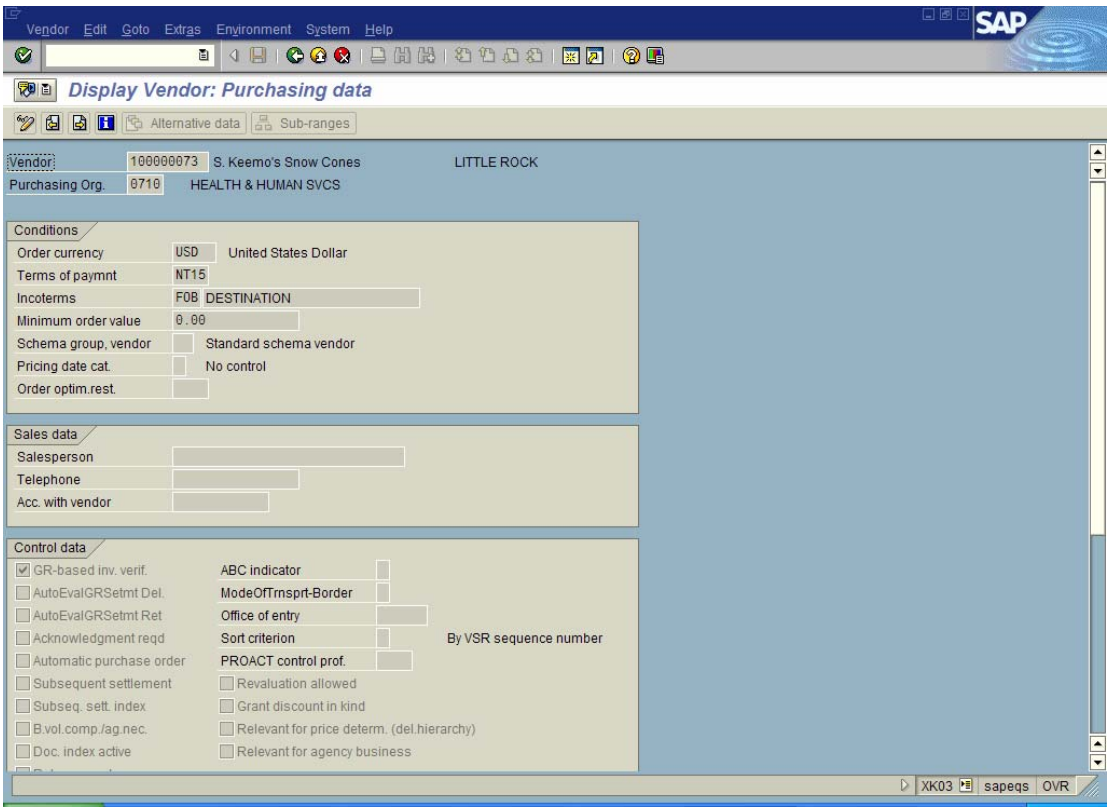
Payment terms



Payment methods:

	P..	Name
☐	A	ACH Payment for General Expens
☐	B	ACH Payment for Payroll Vendor
☑	C	Check
☐	D	ACH Payment for Payroll
☐	H	Housebanks Technical Clearing
☐	I	Warrant for Income Tax Refunds
☐	P	Warrant for Payroll
☐	Q	Warrant for Payroll Vendors
☐	R	ACH Payment for Income Tax Ref
☐	T	Wire Transfers Cash Housebank
☑	W	Warrant for General Expenses
☐	X	Technical Clearing for BSEG

The next page contains information specific to your Purchasing Organization. (For example, your purchasing organization may have different payment terms than the vendor lists for the State.)



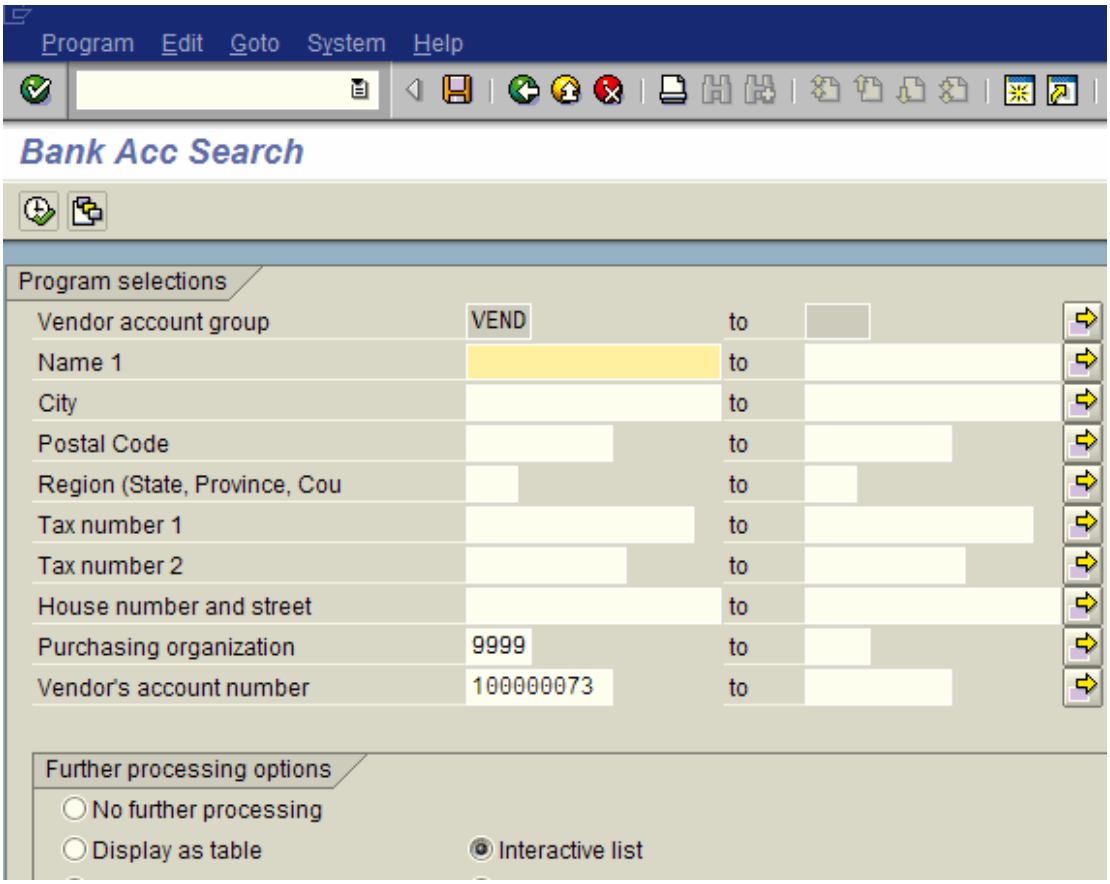
In some cases, purchase orders and invoices may go to different vendors. This information is contained on the Partner functions page.

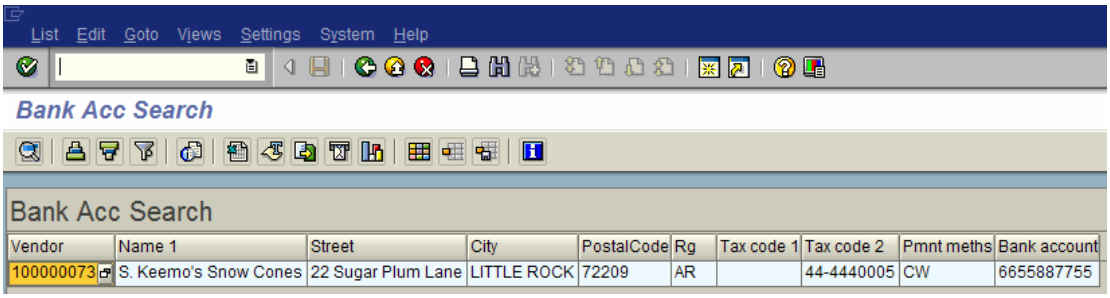
How Can I View Bank and Tax ID Information for Vendors?

For security reasons, bank account and tax ID information are not included on the XK03 display. For users with valid security roles, this information can be displayed on the ZVENDBANK and ZVENDTAXID reports.

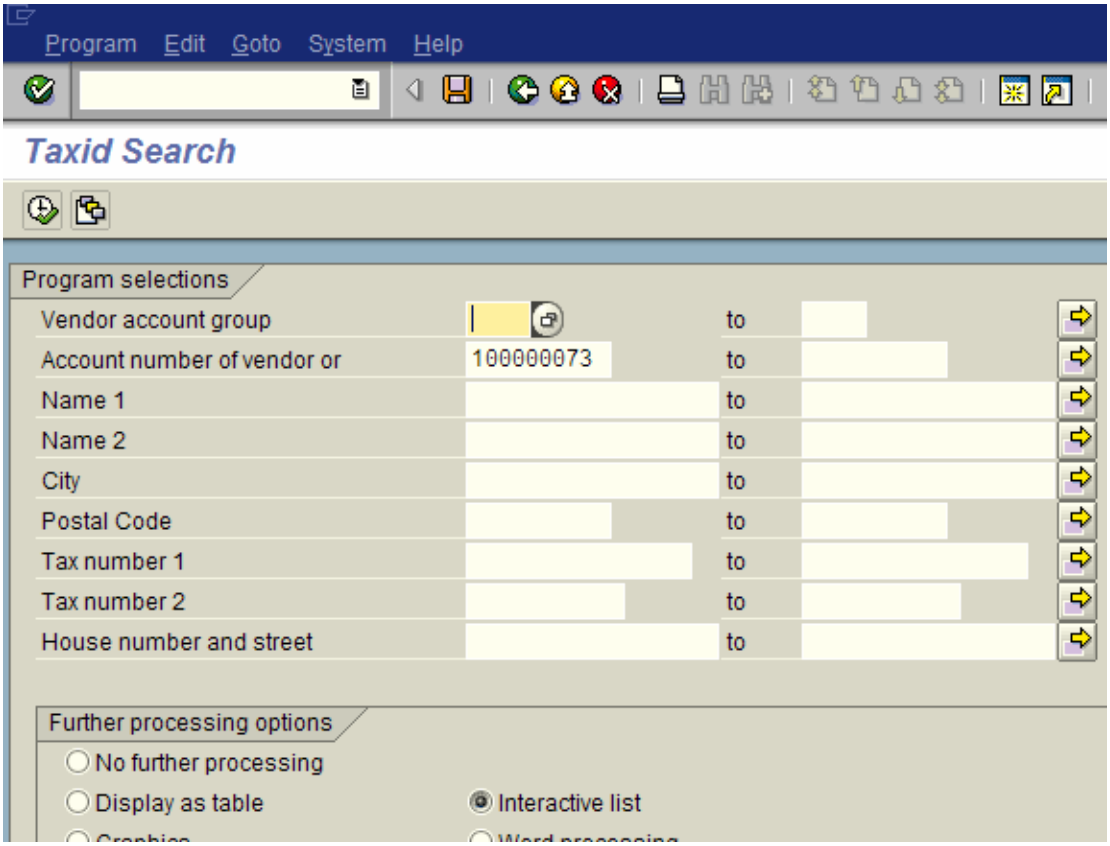
The selection screens for these two reports are similar. The name field is case sensitive and has to be the exact spelling as the vendor master record. For this reason, we recommend getting the vendor number from the XK03 report first and then selecting the ZVENDBANK and ZVENDTAXID reports by the vendor's account number.

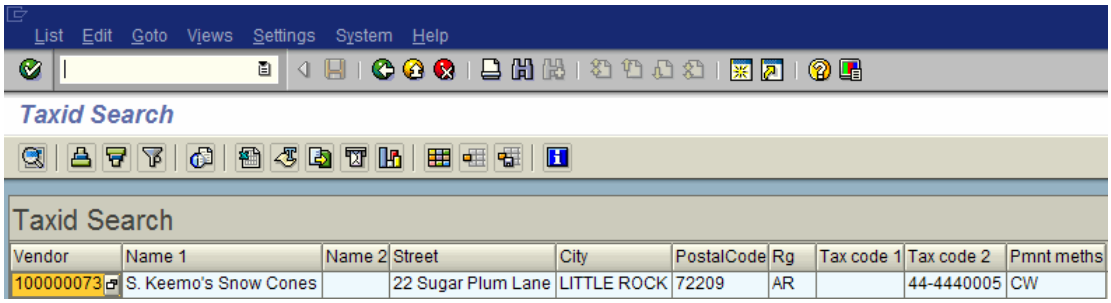
ZVENDBANK





ZVENDTAXID


Program Edit Goto System Help
Taxid Search
Program selections
Vendor account group
Account number of vendor or
100000073
Name 1
Name 2
City
Postal Code
Tax number 1
Tax number 2
House number and street
to
Further processing options
No further processing
Display as table
Interactive list


List Edit Goto Views Settings System Help
Taxid Search
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Vendor
Name 1
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Street
City
PostalCode
Rg
Tax code 1
Tax code 2
Pmnt meths
100000073
S. Keemo's Snow Cones
22 Sugar Plum Lane
LITTLE ROCK
72209
AR
44-4440005
CW

Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 7
Entering the MIRO Invoice Verification with Sales Tax

Entering a MIRO Invoice Verification with a "P1" Tax Code

You have received the following invoice from a vendor:

Man's Best Friend
7111 McCain Blvd.
North Little Rock, AR 72215

INVOICE

Invoice Number: 576837
Your Purchase Order: 4500001017
Invoice Date: 6/23/2006

20 Boxes Animal Shampoo.....$60.00
10 Boxes Dog Chow.....120.00
Shipping.....10.00
Sales Tax.....17.10
Total.....$207.10

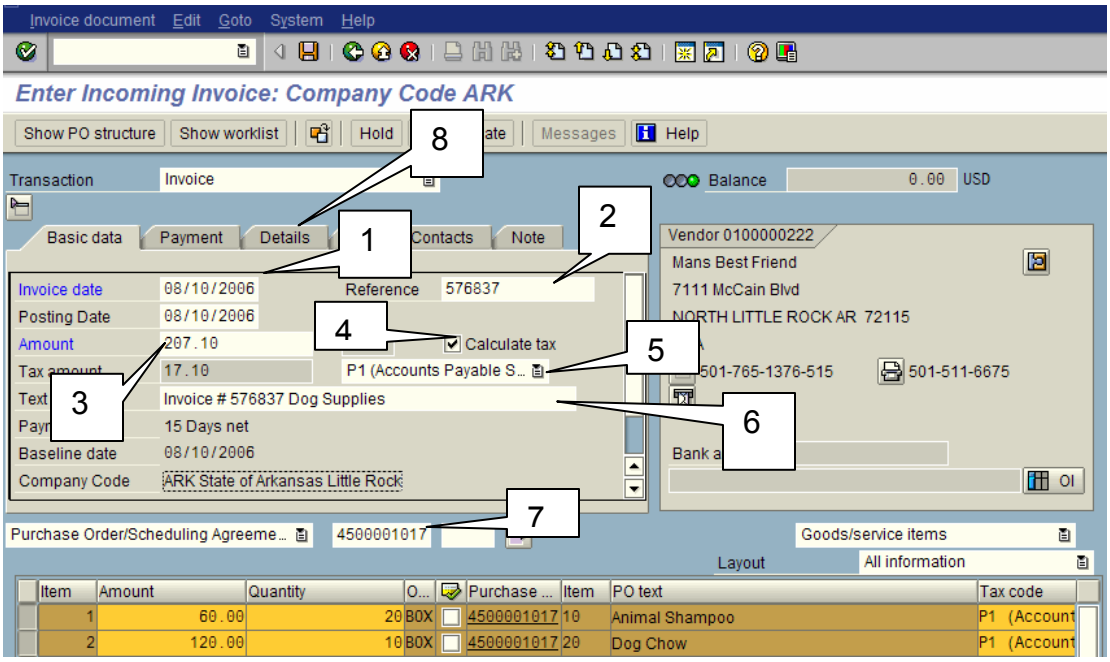
Follow the process described in Chapter 4 to compare the invoice with the purchase order and goods receipt.

The purchase order, goods receipt and invoice are in agreement as to quantity, amount, and tax code. You have the MIRO transaction on the screen and are ready to begin entering data.

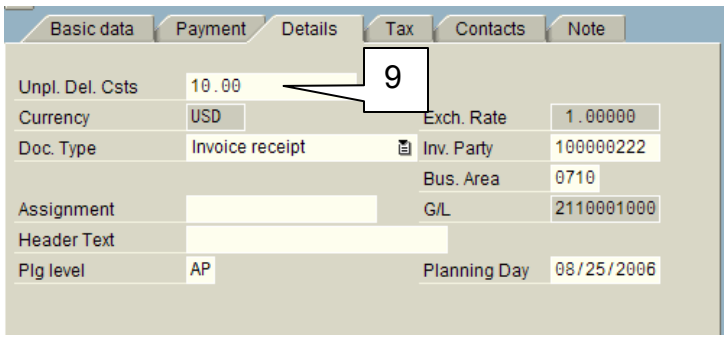
The process for entering an invoice with sales tax allows you to have the system calculate tax and requires you select the P1 tax code.

Use the following steps to enter the invoice:

1. Enter the Invoice Date
2. Type the vendor's invoice number in the Reference field.
3. Enter the amount of the invoice including tax in the "Amount" field.
4. Check the "Calculate tax" box if you want the system to calculate the tax. You may also enter the tax amount in the "Tax amount" field.
5. Choose the "P1" tax code.
6. Enter text in the "Text" field if needed.
7. Enter the PO number.
8. Click the Details tab to continue.



9. Since the shipping costs were not included on the purchase order, you must enter them as unplanned delivery costs on the details tab.



The rest of the process is the same as the MIRO without sales tax. Follow steps 7-25 in chapter 4 to complete the invoice.

Exercise 1:

Enter and post the MIRO for your assigned P1 Invoice. Make changes as specified in the workbook.

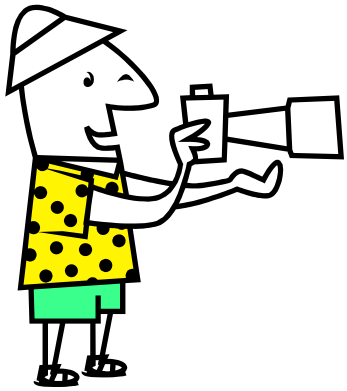
What If The System Calculated Tax For Tax Code P1 Is Different From the Tax On the Invoice?

Reasons why the system tax may calculate differently from the tax on the invoice:

- Rounding
- Rate Change
- Max Tax – tax is calculated up to a maximum amount. Some tax jurisdictions calculate the max tax on an entire transaction where AASIS calculates taxes on individual line items.

For example, suppose you received this invoice for payment:

Cameron Shutter, Photographer
2573 Closeup Rd.
Little Rock, AR 72202

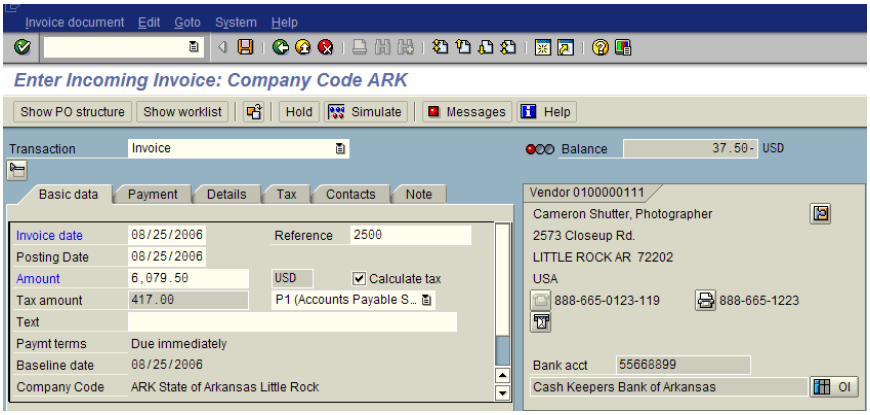


INVOICE

Invoice Number: 2500
Your Purchase Order: 4500001033
Invoice Date: 9/21/2006

5 Digital Cameras.....$3000.00
3 Movie Cameras.....2700.00
Sales Tax.....379.50
Total.....$6079.50

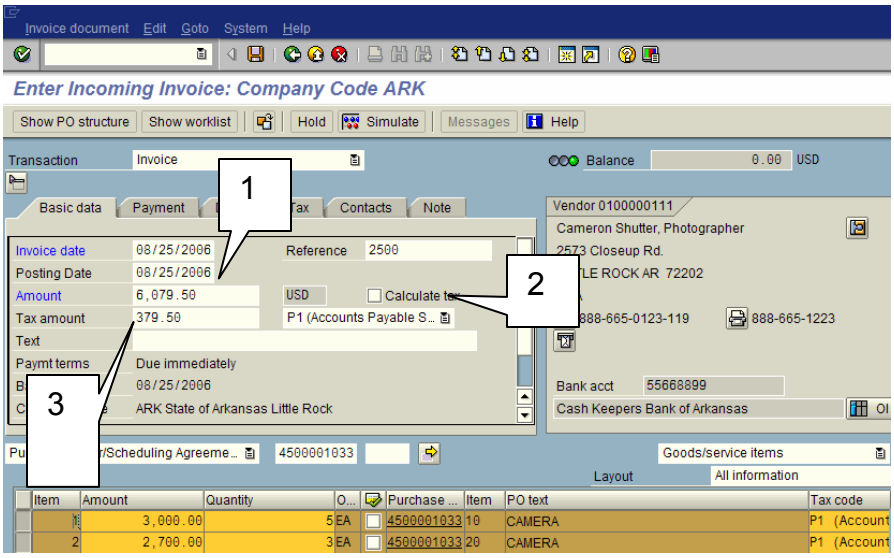
The purchase order had the correct tax code (P1), but due to line item max tax differences, the system calculated this amount of tax:



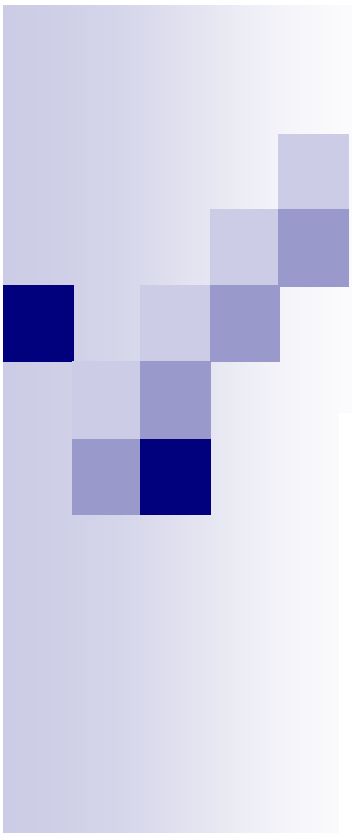
To accommodate the difference, as well as assign the difference to the actual expense, follow these directions:

1. Enter the full amount (including the sales tax) of the invoice in the Amount field.
2. Do not select the Calculate Tax check box.
3. Enter the amount of sales tax to be paid in the Tax amount field.

NOTE: Tolerance level for invoice differences is 10% up to $100.00; this allows adjustment for sales tax as necessary for a zero balance. If the difference exceeds the tolerance, a system block will be placed on the invoice. System blocks can be manually released.



Exercise 2: Enter and post the MIRO for your “tax different” assigned P1 invoice. Make changes as specified in your workbook.



Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 8
Entering the MIRO Invoice Verification with Use Tax

ENTERING A MIRO INVOICE VERIFICATION WITH A "U1" TAX CODE

Your agency received the following invoice:

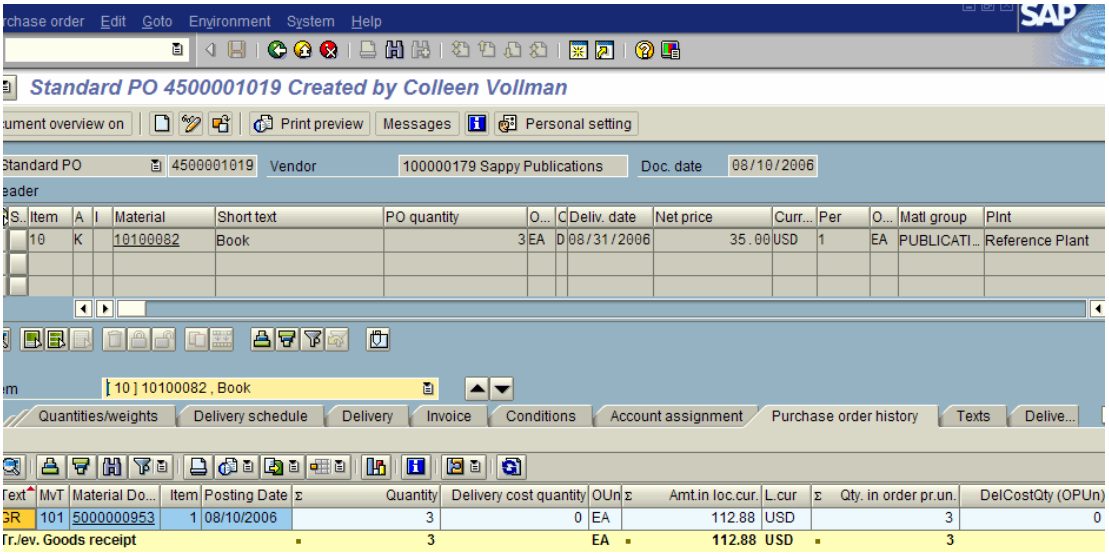
Sappy Publications
55 Enterprise Avenue
Chicago, IL 60611

INVOICE

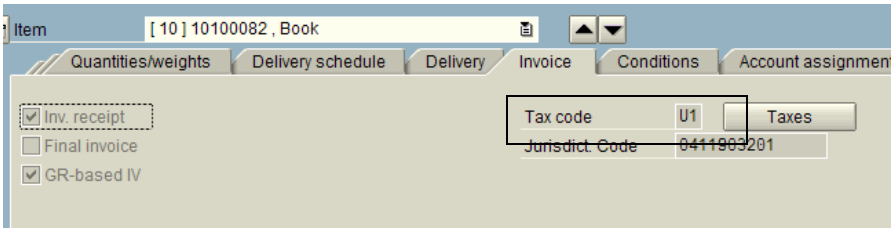
Invoice Number: 253562
Your Purchase Order: 4500001019
Invoice Date: 8/10/06

The Guide to Invoice Payment by U. R. Broke.....$35.00
The Guide to Purchasing by Ben Bysit.....35.00
The Guide to General Ledger by Ivan Eyeshade.....35.00
Total.....$105.00

You were able to match the invoice to the following purchase order:



Note the tax code. There is no tax on the invoice, which is correct. This out-of-state vendor does not collect state sales tax on items sold, so the tax code should be U1 (use tax). Using this code will set up a payable for the use tax to be remitted to DFA.

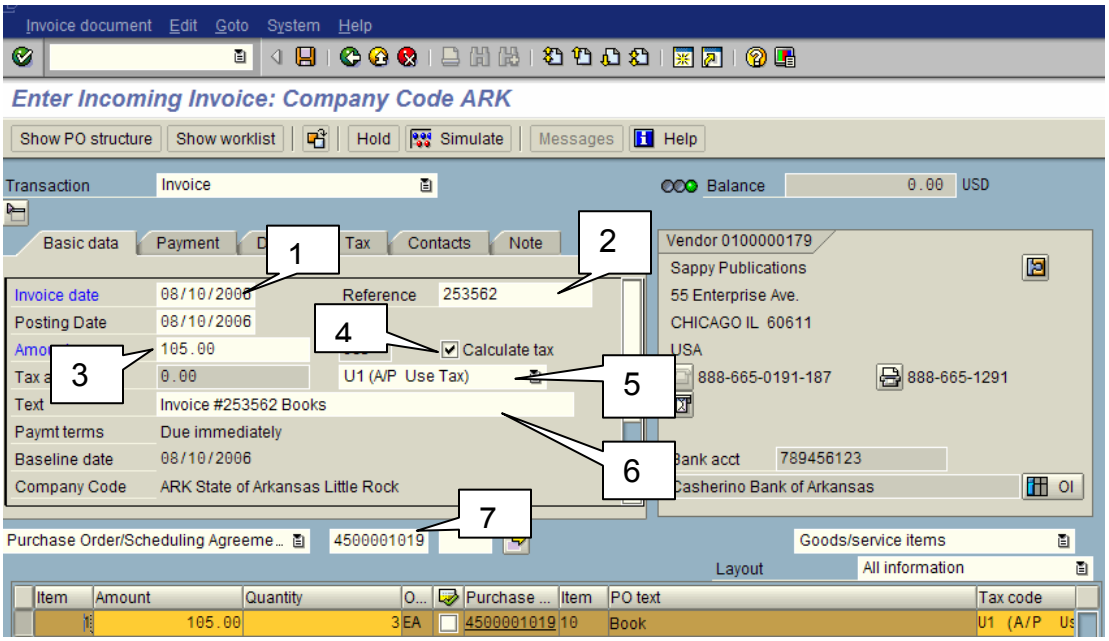


The Conditions tab on the purchase order will reveal the amount of use tax that is calculated by the system.

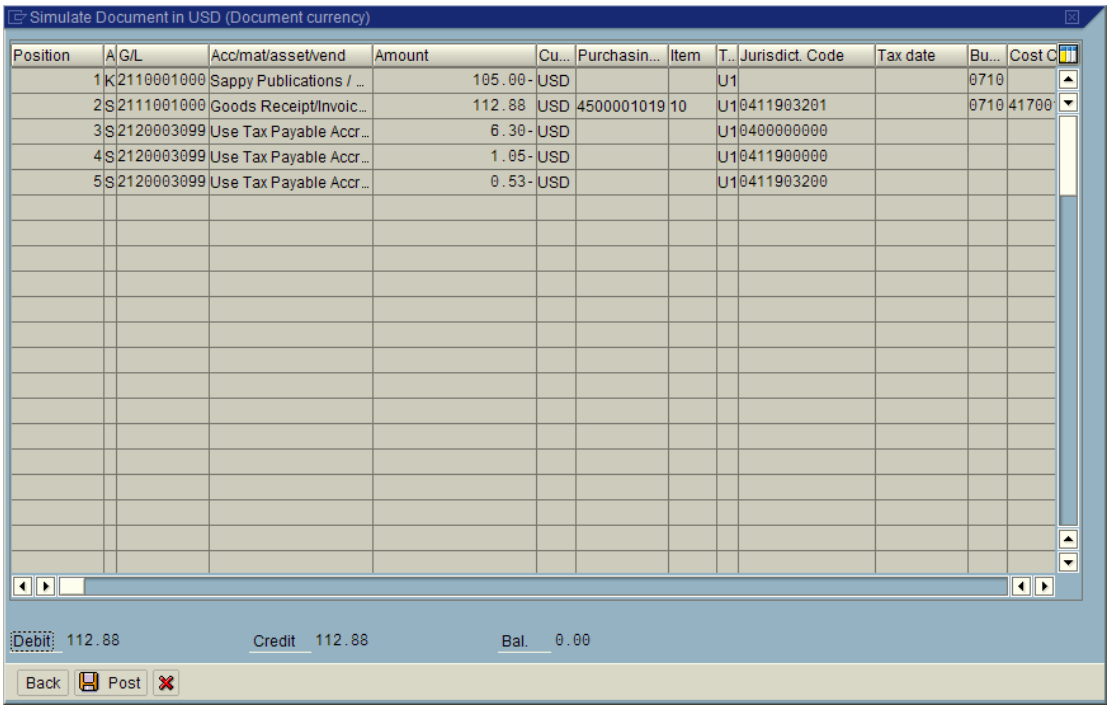
How Do I Enter Use Tax on MIRO?

On the Basic Data tab, use the following steps:

1. Enter the Invoice Date
2. Type the vendor's invoice number in the Reference field.
3. Enter the amount of the invoice in the "Amount" field.
4. Check the "Calculate tax" box.
5. Choose the "U1" tax code.
6. Enter text in the "Text" field if needed.
7. Enter the PO number.



The rest of the process is the same as the MIRO without sales tax. Follow steps 7-25 in chapter 4 to complete the invoice. When you simulate the transaction, you will see the use tax payable posting.



The multiple postings to the Use Tax Payable Accrual account represent the tax accrued to different government entities—the state, the county, the city. All use tax remittances are made to Dept. of Finance and Administration on a separate invoice.

Exercise 1

Enter and post the MIRO for your use tax assigned U1 invoice. Make changes as specified in your workbook.

The U1 Invoice with Multiple Funds

You cannot use the U1 tax code on an invoice with multiple funds. AASIS will return a hard error if this is attempted and the invoice will not post.

So How Do I Account for Multiple Funds on a U1 Invoice?

In the event that you have an invoice with multiple funds and a U1 tax code, you will need to enter a separate invoice for each fund.

You received the following invoice:

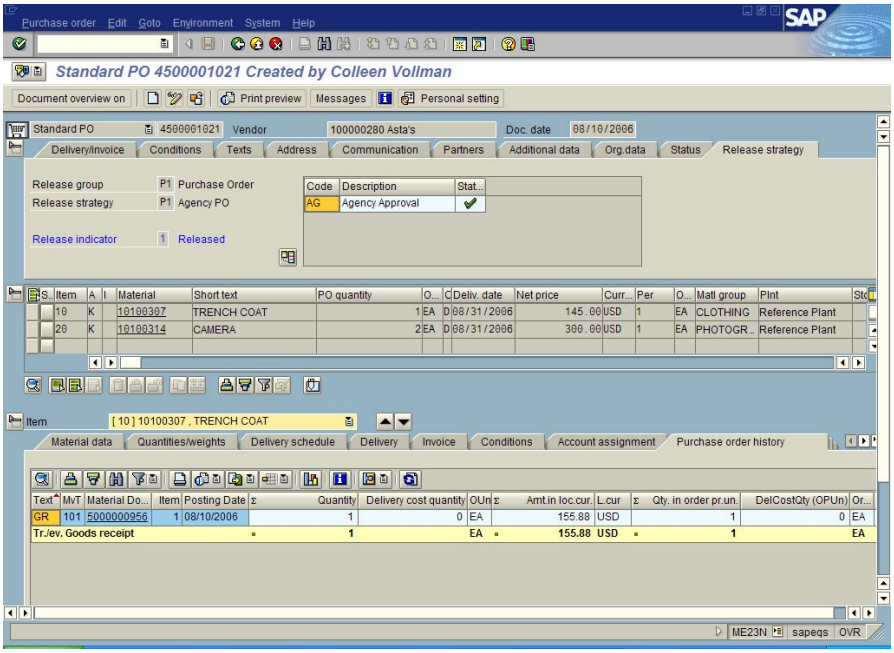
Asta's
78 N. Thinman Rd.
El Paso, TX 79901

INVOICE

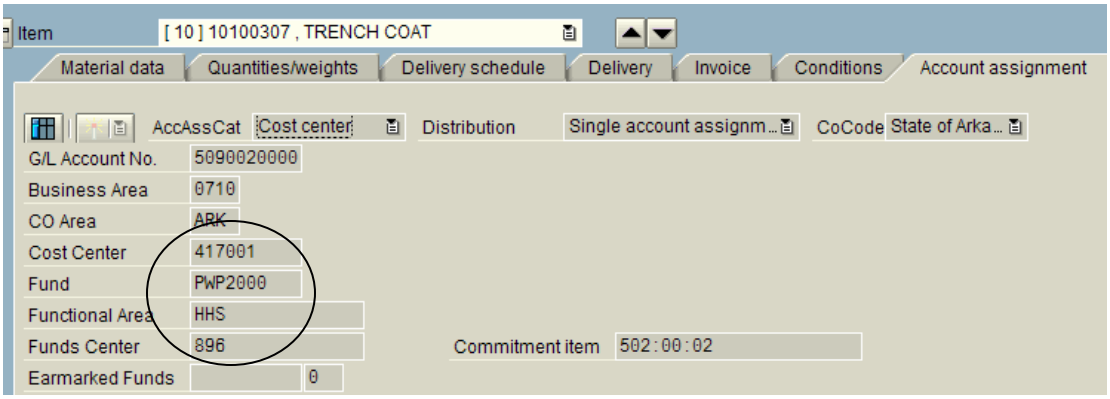
Invoice Number: 576839
Your Purchase Order: 4500001021
Invoice Date: 8/10/2006

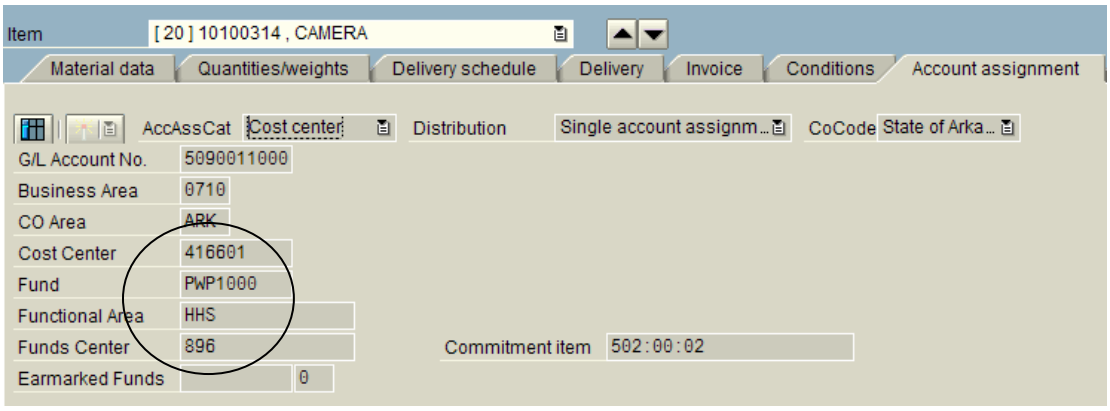
1 Trench Coat.....$145.00
2 Surveillance Cameras.....600.00
Total.....$745.00

You were able to match the invoice to this purchase order.



You determined from the account assignment tabs that each item is charged to a different fund/funds center combination.

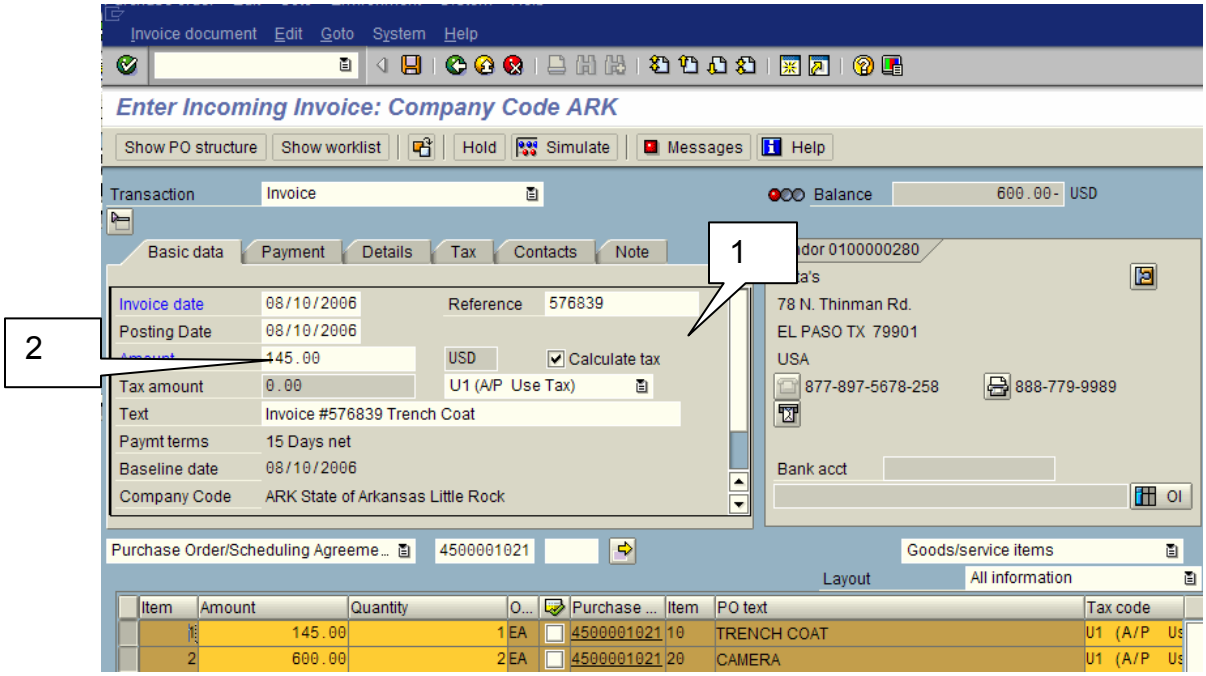




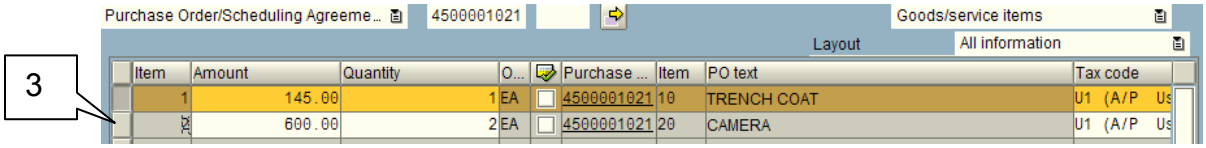
Because the tax code on this invoice is U1, you will need to enter two separate MIRO transactions, one for fund HSC6101 and one for fund FFB0000.

U1 is displayed on the purchase order. This is the correct code. The purchase is for taxable items from an out-of-state vendor which does not collect state sales tax.

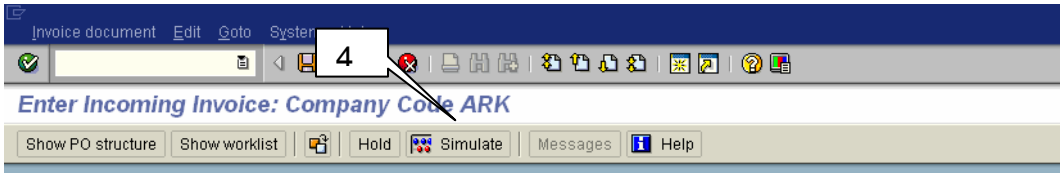
1. Follow the steps to enter a MIRO transaction for the invoice.
2. In the amount field, enter the amount being paid from the first fund on the invoice.



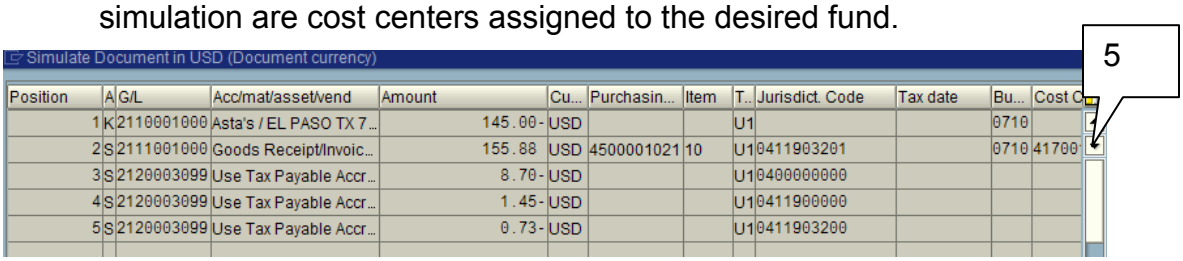
3. At the bottom of the screen, click the box in front of the line items to de-select the items that do not belong to the first fund. Your invoice will now have only the items that belong to the first fund highlighted.



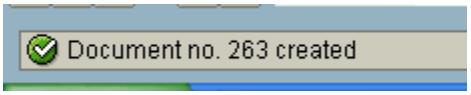
4. Follow the rest of the steps to complete the invoice and click the Simulate button.



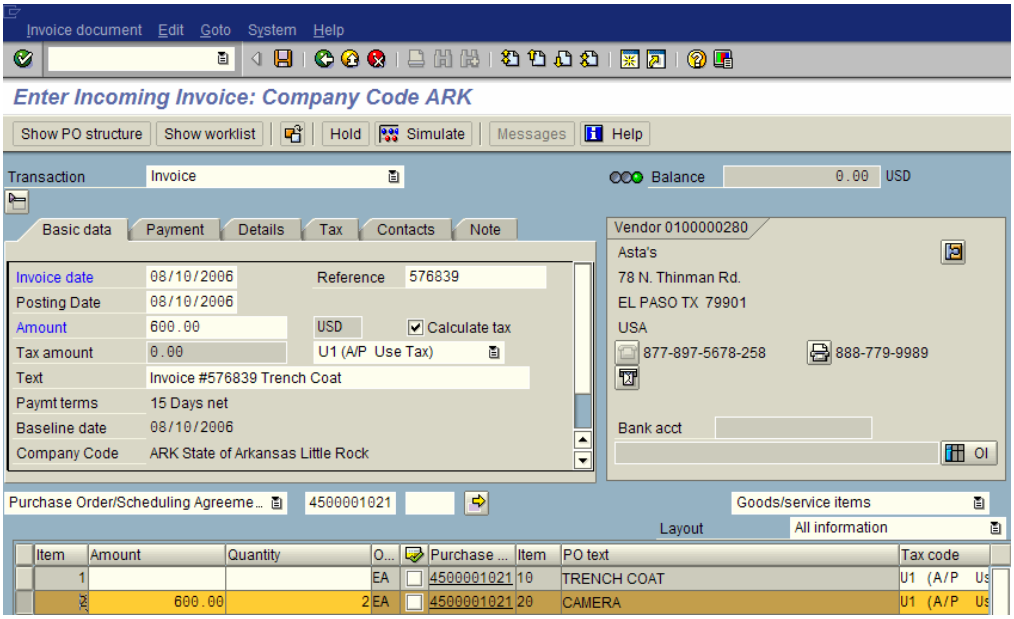
5. The Simulation shows the payment being made to the first fund (with use tax accrued to that fund). Verify that the cost centers on the simulation are cost centers assigned to the desired fund.



6. If the cost centers are in agreement, post the invoice.



7. Repeat the MIRO process for other items on the invoice.



Note that only the items that you have not paid for will appear when you enter the MIRO for the purchase order. If there were any items that did not belong to the fund, you would click to de-select them and proceed with the MIRO process.

Use Tax Payments

At the end of each month, agencies process their monthly use tax remittances to DF&A using the direct invoice process (transaction FB60). The monthly remittances must be paid from the same funds, funds centers, and commitment items as the use tax was accrued.

Exercise 2:

Complete the exercise for the U1 multiple fund invoice. Make changes as specified in your workbook.

Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 9
Accounting for Logistics Transactions

What Happens When Goods Are Purchased?

The purchase requisition and purchase order do not cause AASIS to make accounting entries in the General Ledger or Special Purpose Ledger. The purchase requisition and purchase order do cause AASIS to record "commitments" in the controlling module and the FM (budget) module. This is because government rules require us to keep up with obligations or "encumbrances" to our funds, but modified and full accrual accounting rules do not recognize a transaction until the goods are actually received.

What Happens When Goods Are Received?

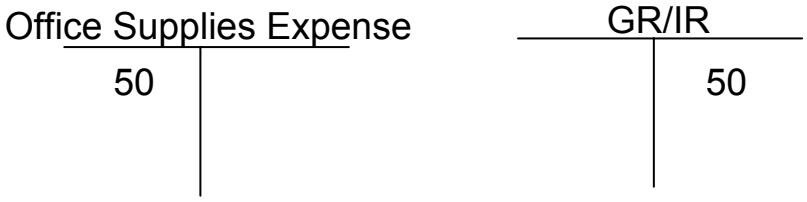
The MIGO transaction is used to record a receipt of goods ordered through the AASIS purchasing process. The goods receipts and invoice receipts are recorded through a special account called the GR/IR account. (GR=Goods Receipt; IR=Invoice Receipt) As soon as the end user hits the save button on the MIGO transaction, AASIS records the following accounting transaction:

The expense or asset account is debited

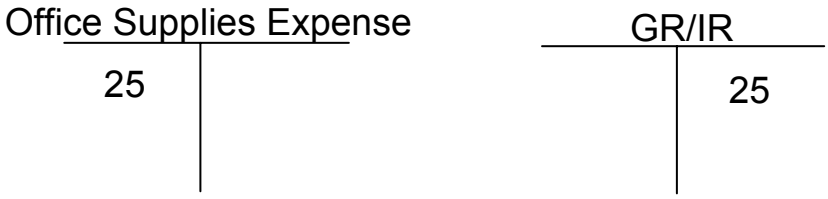
The GR/IR liability account is credited

The amount of the debits and credits are the *dollar value* of the *quantity* of *goods received*. The unit dollar value comes from the purchase order. The quantity received comes from the goods receipt.

Example: Agency orders 10 boxes of pencils at $5.00 per box. All 10 boxes are received. Office Supplies Expense is debited for $50.00 and GR/IR is credited for $50.00.



Example 2: Same as above except only 5 boxes of pencils are received out of the 10 ordered. Office Supplies Expense is debited for $25.00 and GR/IR is credited for $25.00.



What Happens When the Invoice Is Entered?

The MIRO transaction is used to record the invoice for goods ordered through the AASIS purchasing process. As soon as the end user hits the save button on the MIRO transaction, AASIS makes the following accounting entries:

The GR/IR account is debited

The vendor account is credited

The vendor account credit "rolls up" to the Vendor Accounts Payable Account, which aggregates all of the vendor accounts.

The amount of the debit to the GR/IR account is the *dollar value* of the *quantity* of goods *invoiced*. The amount of the credit to the vendor is the amount to be paid to the vendor. Any differences between the amount to be paid to the vendor and the debit to the GR/IR are debited or credited to the expense or asset account of the item being invoiced.

Example: Agency enters invoice for the 10 boxes of pencils in the earlier example. GR/IR is debited for $50.00 and the vendor account/Vendor Accounts Payable is credited for $50.00.

GR/IR	
50	50

Vendor AP	
	50

Example 2: Same as above except the invoice included unplanned shipping costs of $8.00. GR/IR is debited for $50.00, the vendor account/Vendor Accounts Payable is credited for $58.00, and Office Supplies Expense is debited for the additional $8.00 to balance the transaction.

GR/IR	
50	50

Office Supplies Expense	
50	
8	

Vendor AP	
	58

What about Sales Tax?

Sales tax is included in the amount debited to the expense or asset and credited to the vendor account/ Vendor Accounts Payable Account. It will be included in the amount processed through the GR/IR.

Example: Agency orders 10 boxes of pencils @ $5.00 per box. Upon entering the purchase order, the sales tax of 7.5% was recognized. (User entered tax code P1 on purchase order.)

At goods receipt:

Office Supplies Expense is debited for $53.75

GR/IR account is credited for $53.75

Office Supplies Expense	
53.75	

GR/IR	
	53.75

At invoice receipt:

GR/IR account is debited for $53.75

Vendor account/Vendor Accounts Payable is credited for $53.75

GR/IR	
53.75	

Vendor AP	
	53.75

What about Use Tax?

Like sales tax, use tax is processed through the GR/IR. However, since use tax is not remitted to the vendor, the credit goes to a Use Tax Payable account, which is cleared monthly by a payment to Department of Finance and Administration.

Example: Agency orders 10 boxes of pencils @ $5.00 each from an out-of-state vendor which does not collect sales tax. The use tax was anticipated at the entry of the purchase order. (User entered tax code U1 on the purchase order.)

At goods receipt:

Office Supplies Expense is debited for $53.75

GR/IR is credited for $53.75

Office Supplies Expense	
53.75	

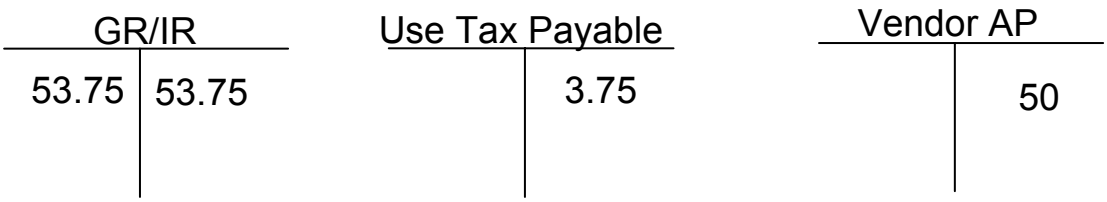
GR/IR	
	53.75

At invoice receipt:

GR/IR is debited for $53.75

Use Tax Payable is credited for $3.75

Vendor account/Vendor Accounts Payable is credited for $50.00



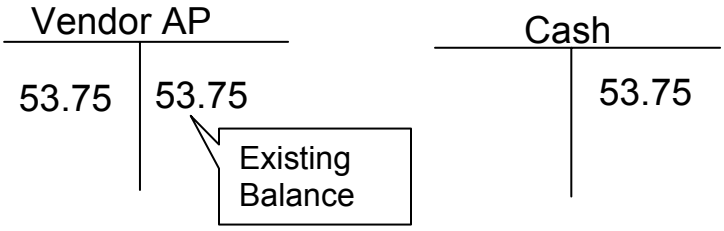
What about Payment?

When payment is made, the vendor account/Vendor Accounts Payable is debited and the paying account (treasury cash or cash fund) is credited.

Example: Payment is made to vendor including sales tax:

Vendor account/Vendor Accounts Payable is debited for $53.75

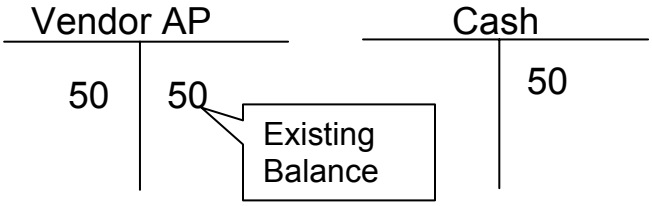
Cash is credited for $53.75



Example 2: Payment is made to vendor with use tax:

Vendor account/Vendor Accounts Payable is debited for $50.00

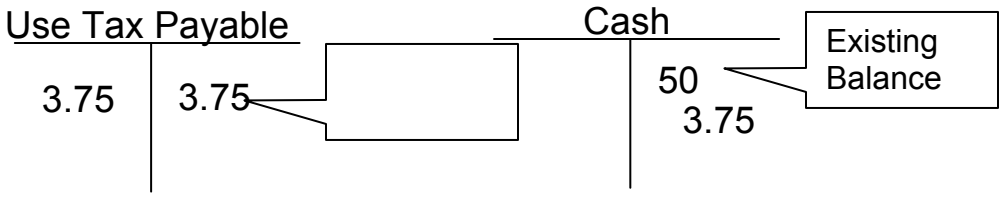
Cash is credited for $50.00



At month end, payment is made to DFA for use tax:

Use tax payable is debited for $3.75

Cash is credited for $3.75



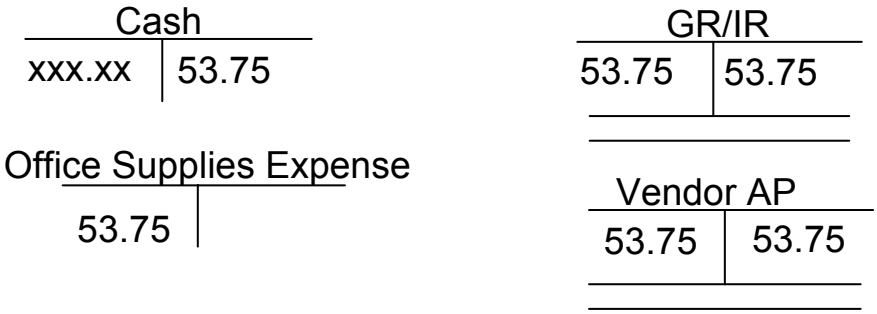
What Are the Account Balances?

In a scenario where the entire amount of goods received were invoiced and paid for, the account balances should reflect the following:

GR/IR balances should zero out.

Vendor account/Vendor Accounts Payable should zero out.

Expense or Asset account should have a balance of the value of the amount of goods received, plus any shipping or related sales or use tax.



What about Multiple Funds?

In the event that goods are invoiced from more than one fund, AASIS will sort out the funds in the Special Purpose Ledger using the cost centers entered on the purchase order and invoice receipt. When more than one fund is used, the purchase orders and invoice receipts will have at least one line for each fund containing the cost center that tells AASIS which fund to use.

Example: Agency orders 10 boxes of pencils @ $5.00 each. Agency plans to pay for 2 boxes of pencils from cost center 123456 representing fund A and 8 boxes of pencils from cost center 456789 representing fund B. Sales tax of 7.5% was anticipated at the time of purchase order. (User entered tax code P1 on purchase order.)

The purchase order must contain at least two lines, one for cost center 123456 and one for cost center 456789.

The goods receipt will contain at least two lines, one for each line entered on the purchase order.

At goods receipt:

Office Supplies Expense in Fund A is debited for 10.75

GR/IR in Fund A is credited for 10.75

Office Supplies Expense in Fund B is debited for 43.00

GR/IR in Fund B is credited for 43.00

FUND A:

Office Supplies Expense	
10.75	

GR/IR	
	10.75

FUND B:

Office Supplies Expense	
43	

GR/IR	
	43

At invoice receipt:

GR/IR in Fund A is debited for 10.75

Vendor account/Vendor AP in Fund A is credited for 10.75

GR/IR in Fund B is debited for 43.00

Vendor account/Vendor AP in Fund B is credited for 43.00

FUND A:

GR/IR	
10.7	10.7

Vendor AP	
	10.75

FUND B:

GR/IR	
43	43

Vendor AP	
	43

At payment:

Vendor account/Vendor AP in Fund A is debited for 10.75

Cash in Fund A is credited for 10.75

FUND A:

Vendor AP	
10.75	10.75

Cash	
	10.75

Vendor account/Vendor AP in Fund B is debited for 43.00

Cash in Fund B is credited for 43.00

FUND B:

Vendor AP	
43	43

Cash	
	43

Account Balances:

GR/IR in both Fund A and Fund B zero out

Vendor/Vendor AP in both Fund A and Fund B zero out

Office Supplies Expense reflects and expense of $10.75 in Fund A and $43.00 in Fund B.

FUND A:

Cash	
xxx.xx	10.75

GR/IR	
10.75	10.75

Office Supplies Expense	
10.75	

Vendor AP	
10.75	10.75

FUND B:

Cash	
xxx.xx	43

GR/IR	
43	43

Office Supplies Expense	
43	

Vendor AP	
43	43

Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 10
The Goods Receipt/
Invoice Receipt Account

As discussed in the previous chapter, the GR/IR account is credited when goods are received, setting up a liability, and debited when goods are invoiced, clearing the liability.

This seems easy enough in theory, but in practice things can begin to get complicated.

For example, when a goods receipt is entered, it should be followed by a MIRO invoice, not an FB 60 invoice. An FB60 does not connect to the goods receipt and leaves the credit balance in the GR/IR account.

When an invoice receipt is entered for a different quantity than the goods receipt, the GR/IR will be out of balance.

If the wrong purchase order is referenced in the invoice receipt, the wrong goods receipt will be cleared and the right goods receipt will be left in the account.

Credit memos need to be followed up with goods returns to clear the GR/IR and correctly account for assets and expenses.

Goods receipts and invoice receipts are constantly being entered, so it's not always easy to tell what goods receipts are outstanding just by looking at the GR/IR account balance.

Exercise:

You plan to return some of the items purchased in Exercise 10. The vendor has billed you for the items you plan to keep. Enter the invoice for the items you plan to keep.

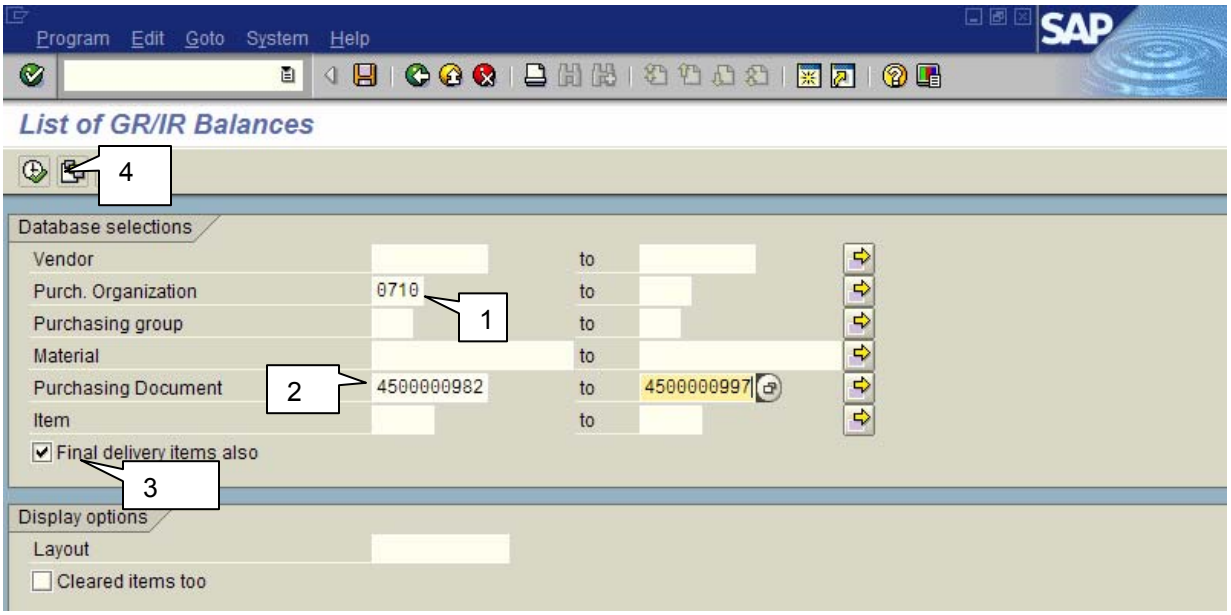
How Can I Look Up Out-of-Balance GR/IR Entries for my Agency?

You can view the goods receipts for which the invoice receipt either does not match or has not been entered in the List of GR/IR Balances (Transaction MB5S).

Selecting the Report

1. Enter the purchase organization number.
2. The output can be restricted to one document or a range of documents. The output can also be restricted to documents created in a specific fiscal year by entering the first PO created in that fiscal year. Double click in the "Purchasing Document" field and select the symbol "Greater than or equal to".
3. The checkmark will default into the Final delivery items also. Do not remove.
4. Click the "execute" icon to continue.

NOTE: You can run the report ME2N to locate the first PO number created in the fiscal year for your business area. Run it by PO document date.



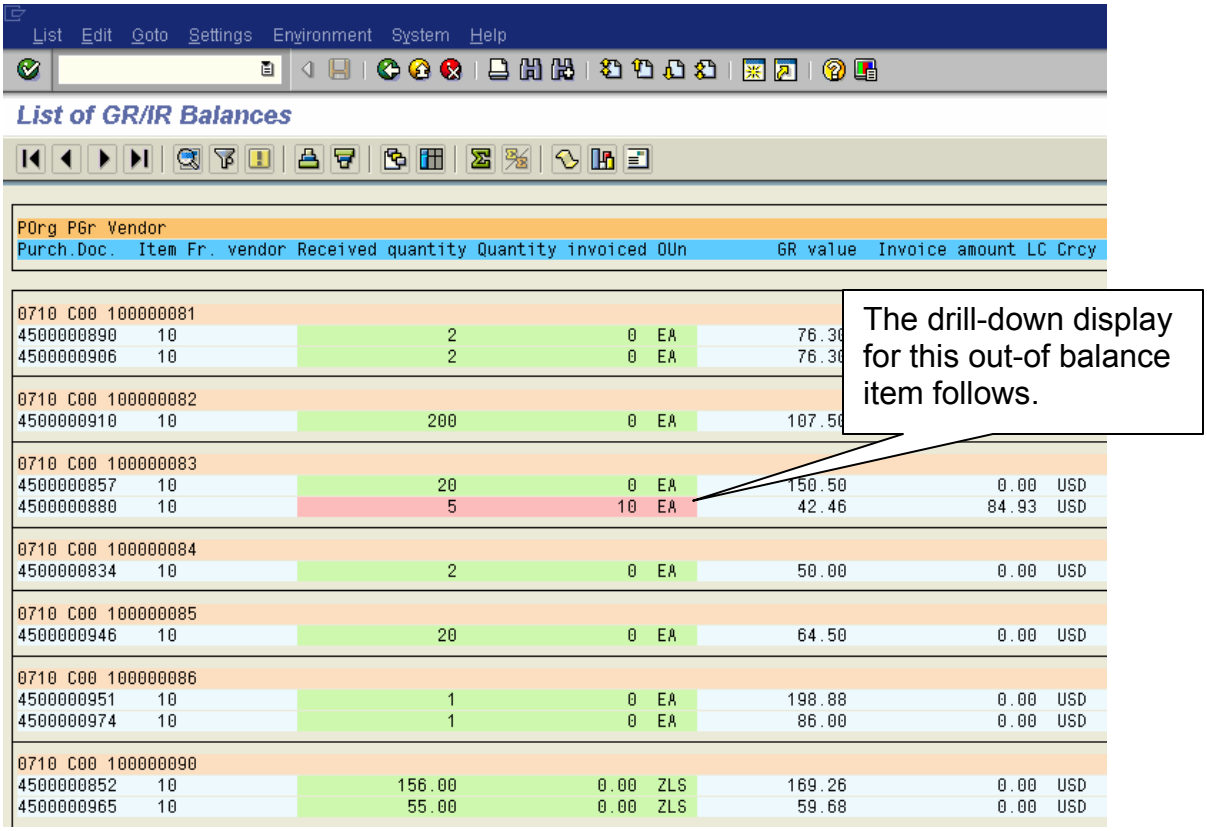
Viewing the Report

The list shows purchase orders where Goods Receipt (GR) quantities and Invoice Receipt (IR) quantities do not balance.

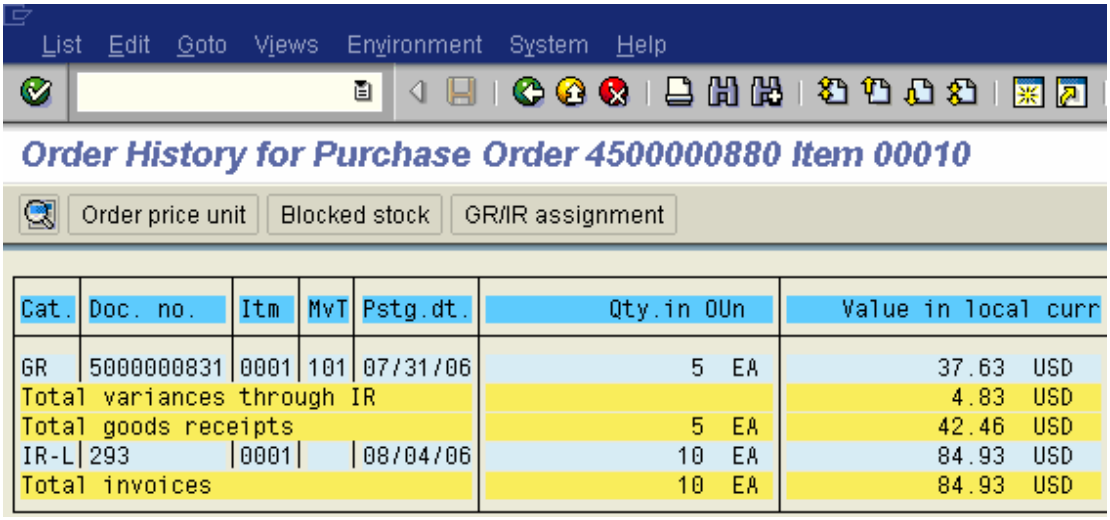
You can view the Purchasing Organization, Purchasing Group, Vendor, Purchasing Document Number, Item Number, Received Quantity, Quantity Invoiced (the IR quantity and amount will be zero if no invoice receipt was posted for items received), Unit of Measure, GR Value, Invoice Amount, and Currency.

This information can be used to determine if errors have occurred in posting goods receipts and/or invoice receipts or to determine open purchase orders where goods receipts have been posted and agencies are still awaiting the vendor invoice.

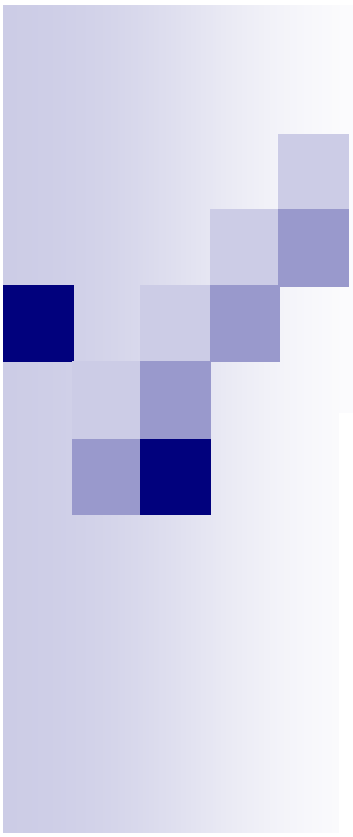
You may double click on any PO line to drill into the PO display transaction to view purchase order history associated with that line.



A goods receipt was entered for 5, followed by an invoice receipt for 10. (AASIS blocked the document, but the end user released it.)



Cat.	Doc. no.	Itm	MvT	Pstg.dt.	Qty.in OUn	Value in local curr
GR	5000000831	0001	101	07/31/06	5 EA	37.63 USD
Total variances through IR						4.83 USD
Total goods receipts					5 EA	42.46 USD
IR-L	293	0001		08/04/06	10 EA	84.93 USD
Total invoices					10 EA	84.93 USD



Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 11
Viewing the Documents

In this chapter, we will view the postings from the MIRO transactions that we entered and how they affect the various modules of AASIS, discussed in Chapter 3.

How Do I View the MM Document?

You can display your document and drill down to view the postings in transaction MIR4.

In this example, you wish to view the invoice verification and follow-on documents resulting from the following invoice:

Cushy Tushy Office Furniture
900 W. Ergonomic Ave.
Ashville, NC 28801

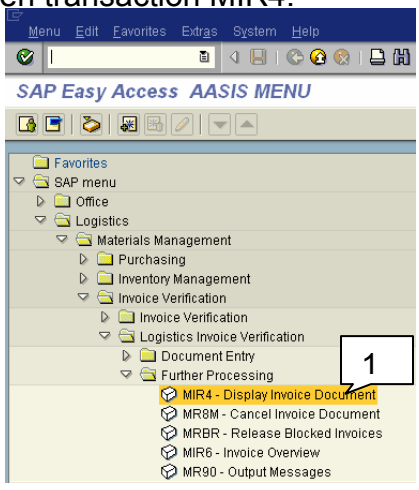
INVOICE

Invoice Number: 576839
Your Purchase Order: 4500000833
Invoice Date: 6/28/2006

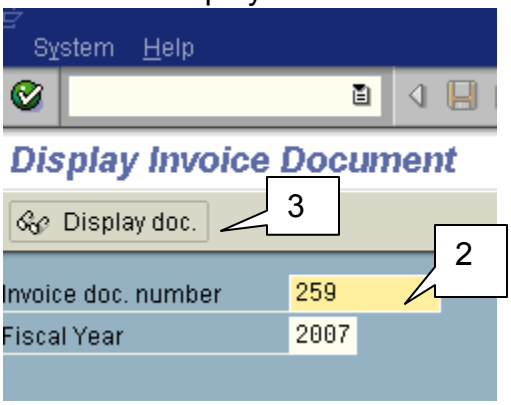
2 Executive Style Desks.....$200.00
2 Executive Style Chairs.....100.00
Shipping.....15.00
Sales Tax.....23.63
Total.....$338.63

Use the following steps to view the documents;

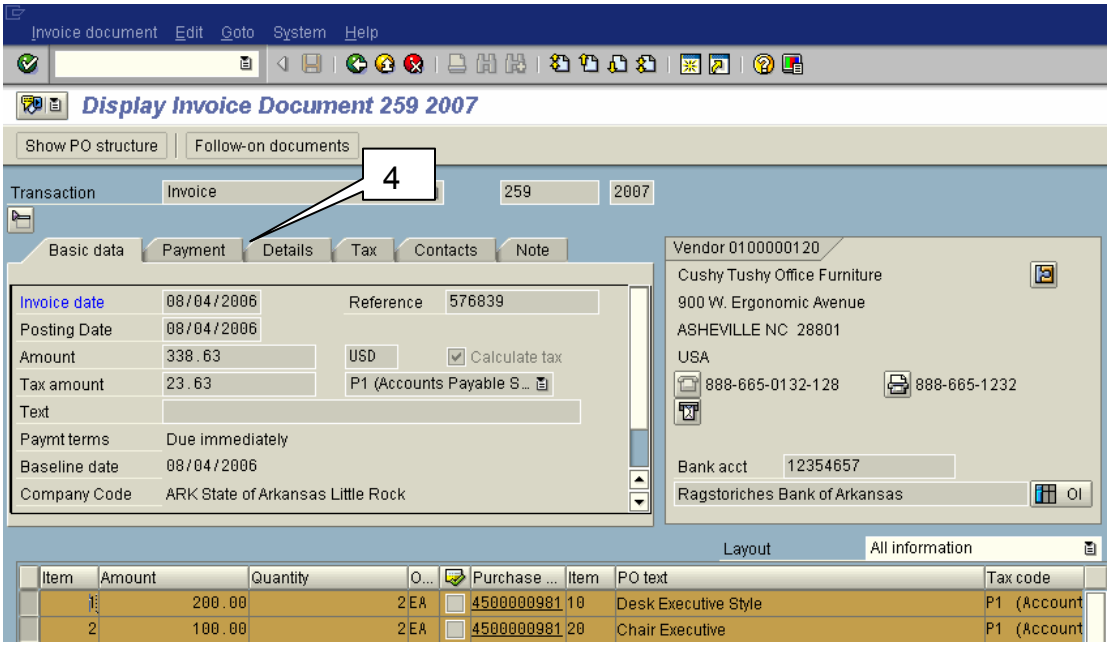
1. Open transaction MIR4.



2. Enter the MM document number. This is the number you saw at the bottom of your screen when you created the MIRO.
3. Click the Display doc. button.

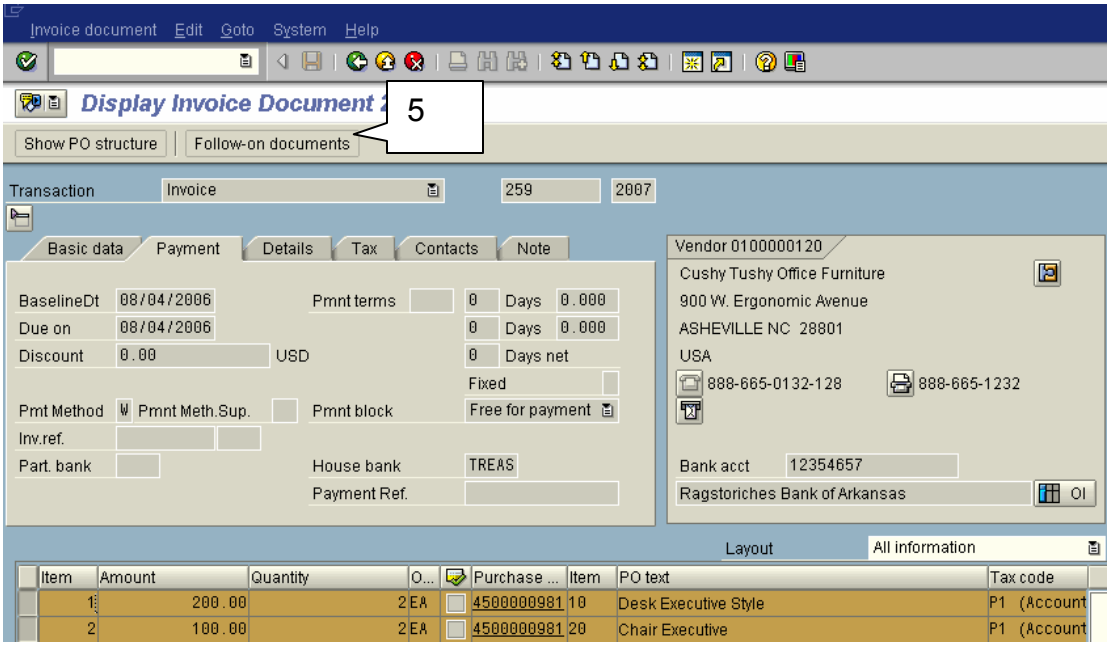


4. AASIS displays the invoice Basic Data tab. View the amount, the tax code, the invoice and posting dates and reference field. Click the Payment tab to view more information.



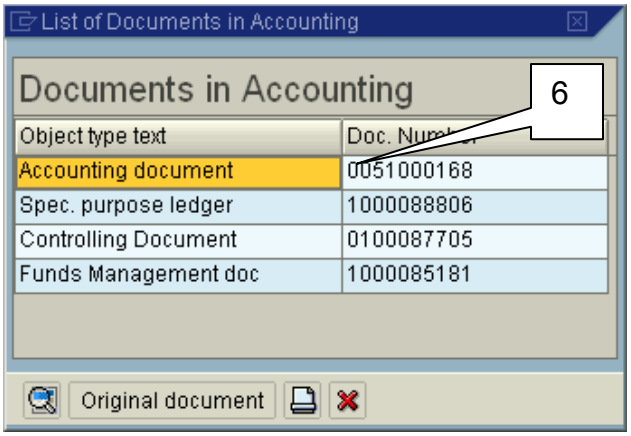
View the payment terms. Payment will be made immediately (see Due on date and document date).

The payment block field indicates free for payment, meaning that there are no payment blocks.



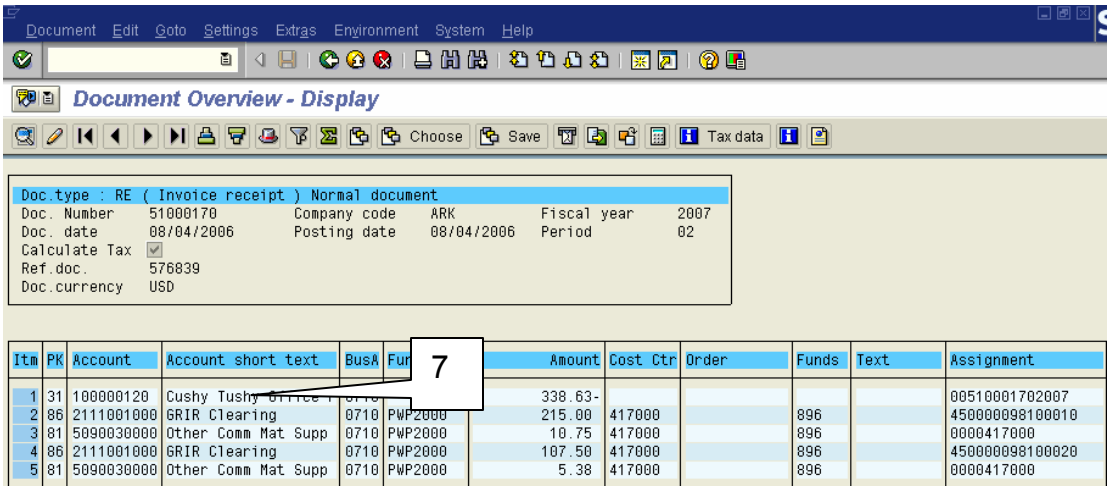
How Do I View the Accounting Document?

5. To see the other postings that were created in AASIS when you entered the MIRO, click the Follow-on documents button.
6. A list of documents displays. Double-click the accounting document to display it. (Note: This takes you to the FB03 transaction. You could also enter FB03 in the command field to get there.)

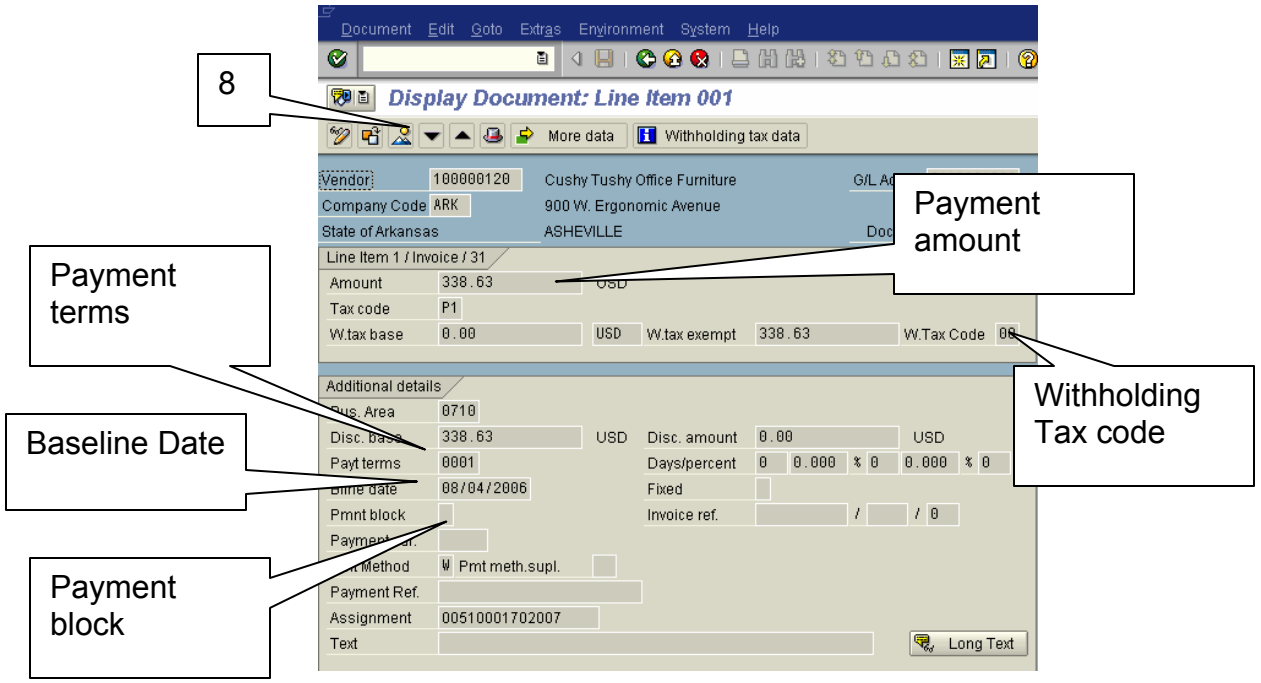


The accounting document shows the posting to the general ledger. You can see the debit to the GR/IR account, the credit to the vendor accounts payable account and use tax accruals (if any) for each line item. Note that the accounting document number is different from the number that you used to display the document in MM.

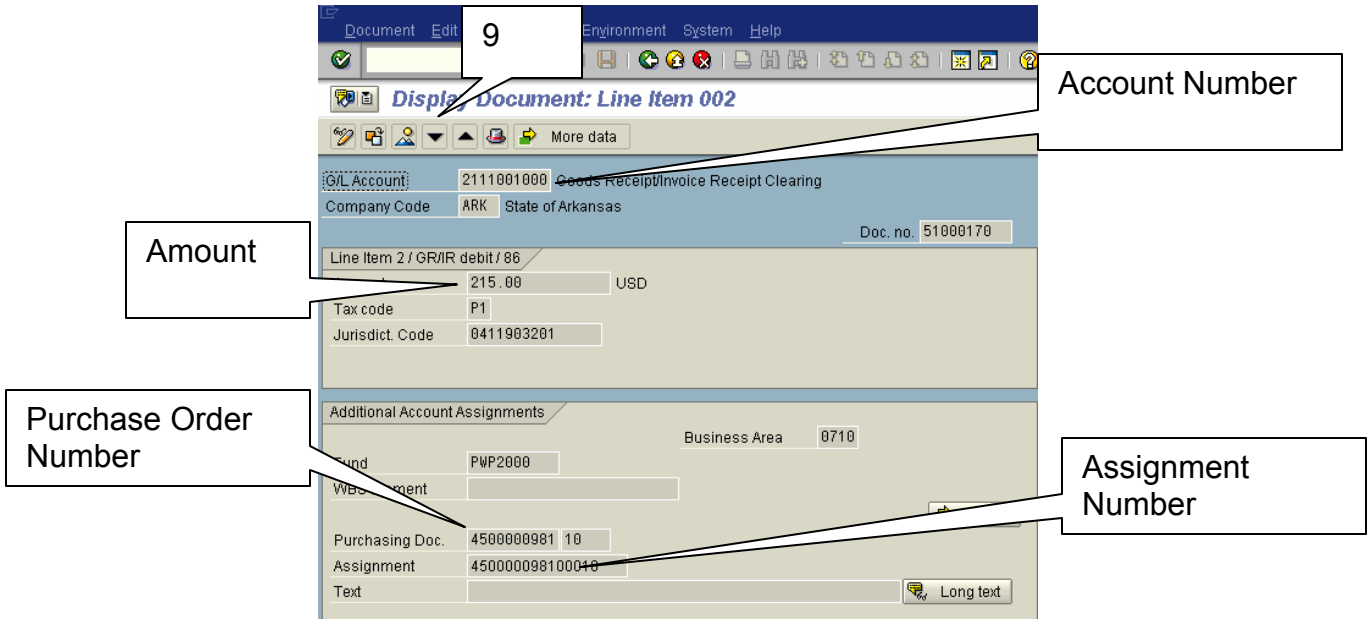
7. To view line items, click the first line of the document (vendor line).



8. View the information on the vendor line. When you are finished, click the down arrow to view the next line.

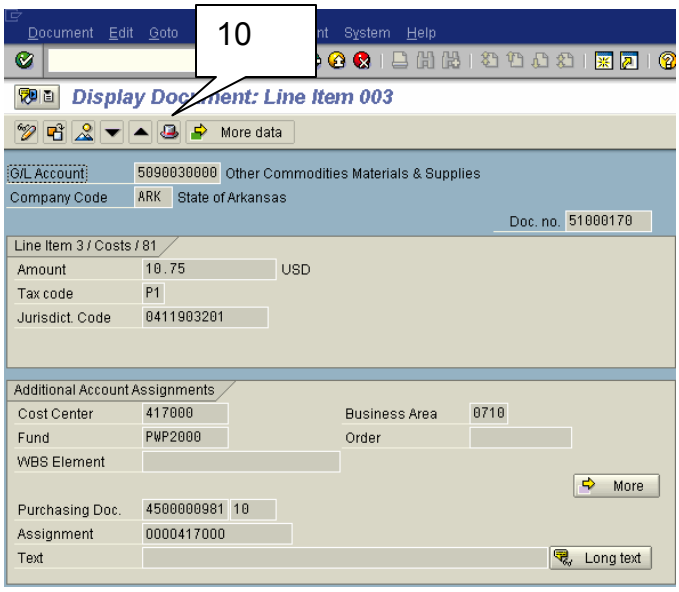


9. View the GR/IR Clearing Account Posting. When you are finished, click the down arrow to view the next line.

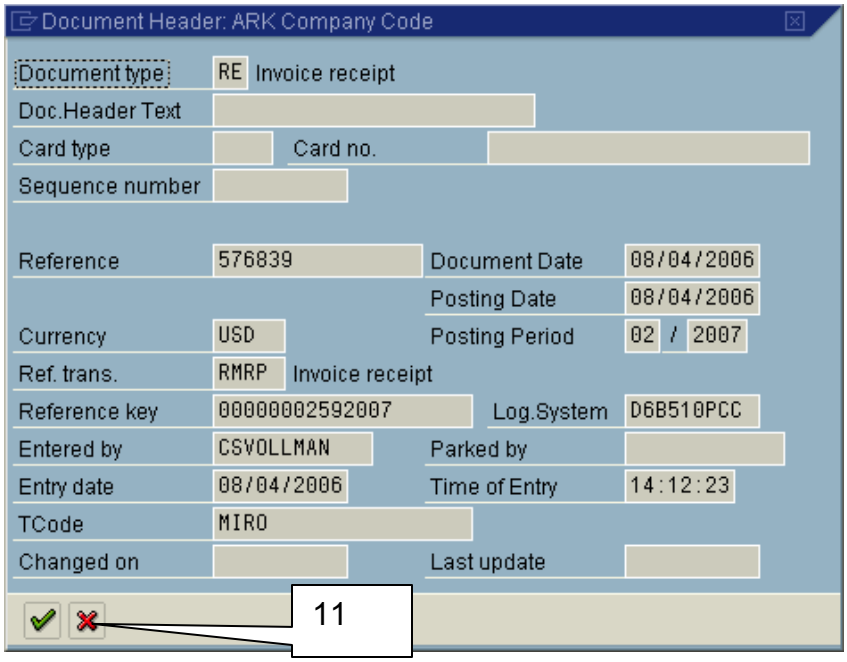


This line is the expense posting for the delivery cost, which was added at the point of invoice. If no extra cost was added, this line wouldn't be there.

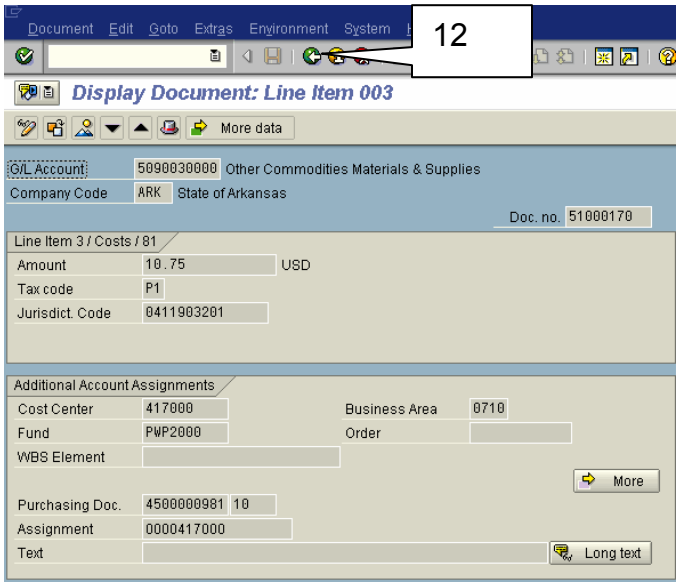
10. Click the header button to view the header information.



11. The header displays information on who posted the document and when it was posted. Close the header when finished viewing.

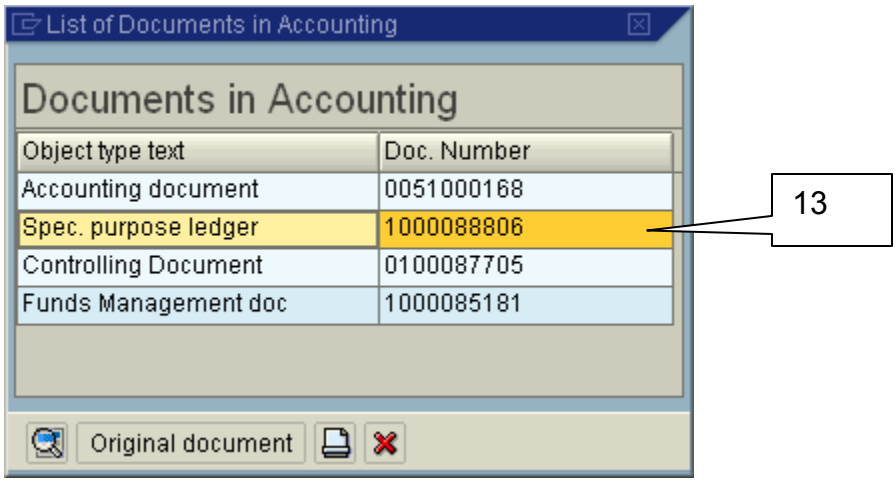


12. Click the back button to return to the document selection.



How Do I View the SPL Document?

13. Double-click the SPL document to view the special purpose ledger posting.

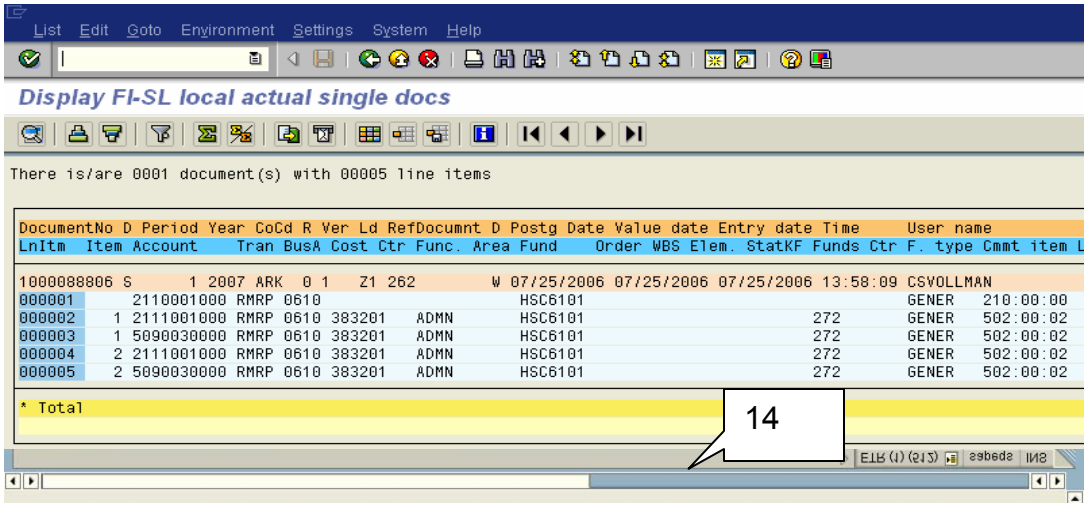


The SPL document contains a header (highlighted in orange) and multiple line postings (highlighted in blue). The first column contains the document number and line item.

The second column contains the period and account number. Note that the account numbers in the SPL are the same as the GL accounts discussed earlier—The GR/IR account, the Expense accounts, the Tax accrual accounts (if any), etc.

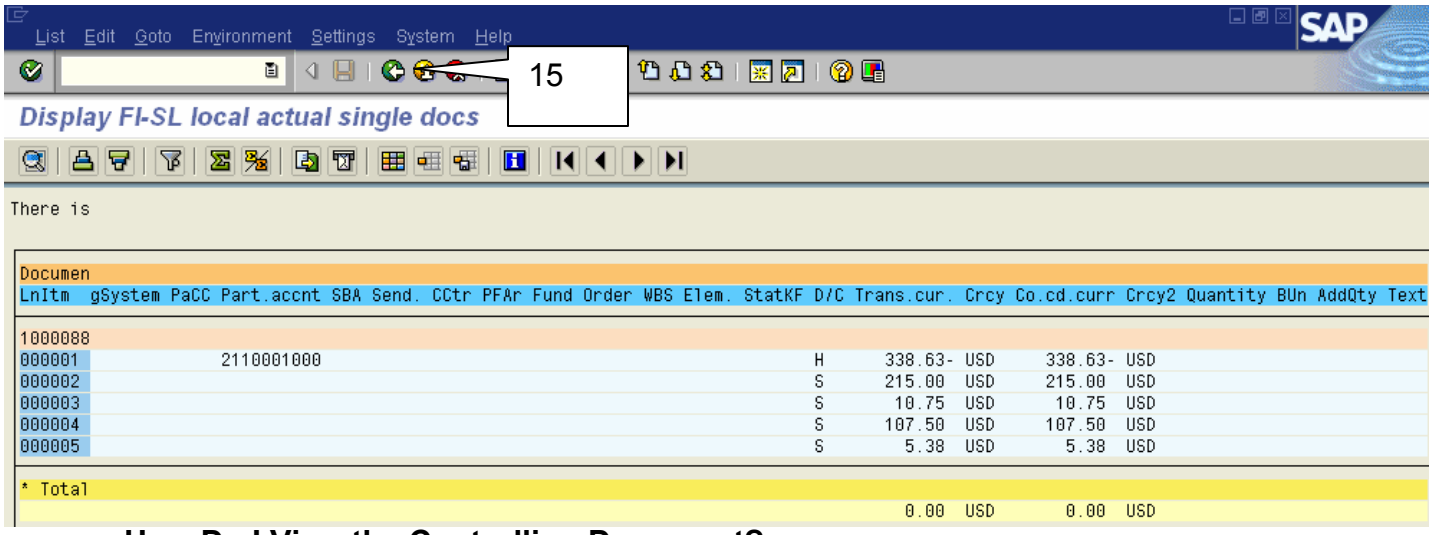
The next columns contain the business transaction codes, business area, cost centers, functional area, fund, funds center, fund type, commitment item, and partner account.

14. Scroll over to view more information.



Other information contained in this document includes debit or credit information, amount, and currency.

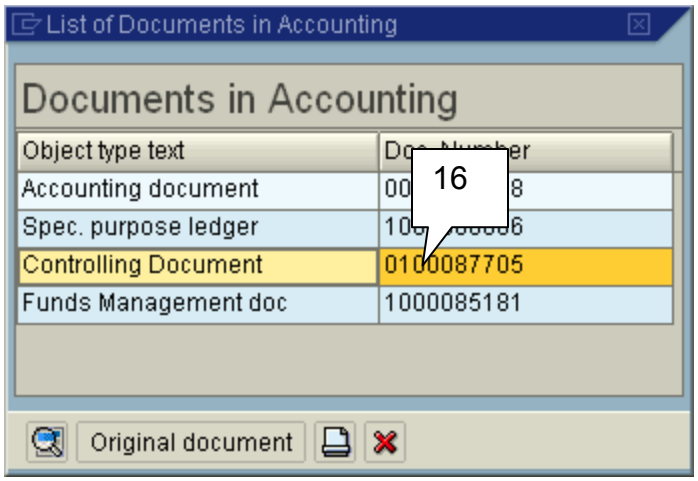
15. Click the back button to continue.



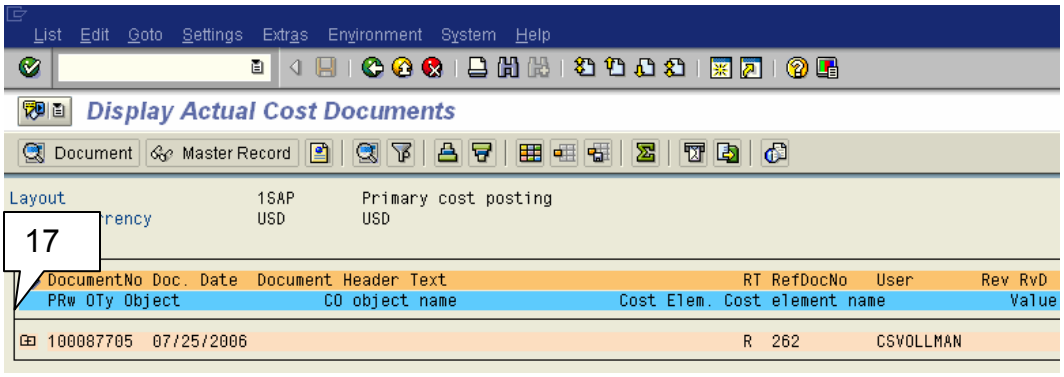
How Do I View the Controlling Document?

16. Double-click the Controlling Document to continue:

Note: There will only be a follow-on controlling document available if you make a change in the MIRO from the MIGO, such as changing sales tax or shipping costs.



17. Click to expand the controlling document.

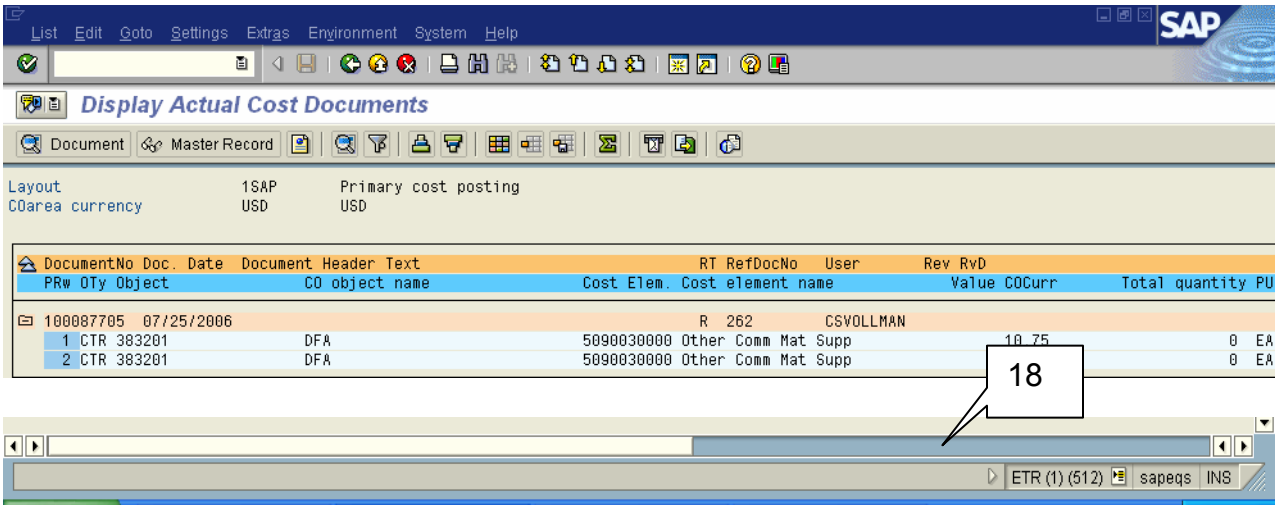


The controlling document displays cost center number and name, cost element number and name, internal order and WBS element (if any). It also displays the value and quantity.

Note: The cost element is the same as the GL code.

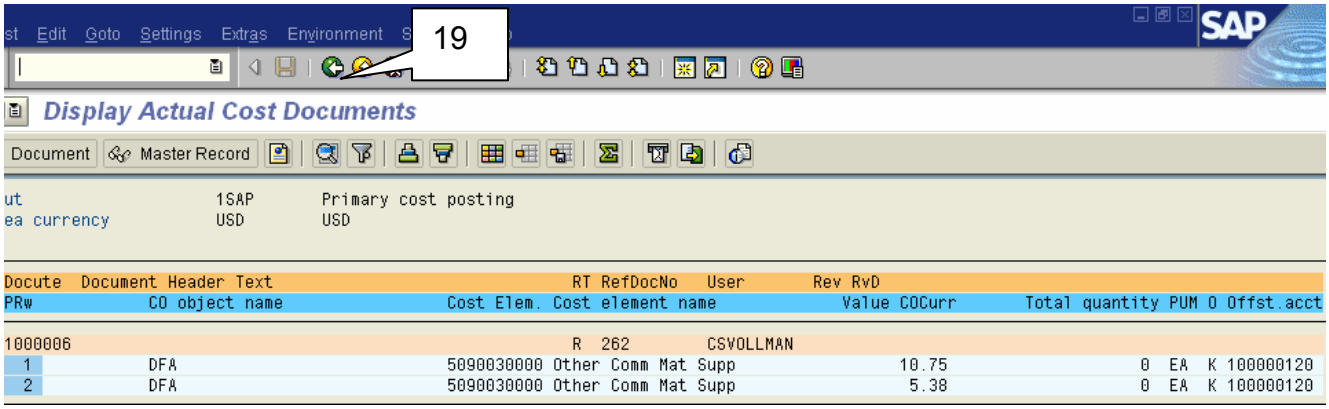
Note: You may wonder why the controlling document only picked up the tax, and not the value of the goods paid for. This is because the controlling document for the value of the goods was a follow on document to the *goods receipt*, rather than the *invoice receipt,* which is what we are viewing.

18. Scroll over to view more information.



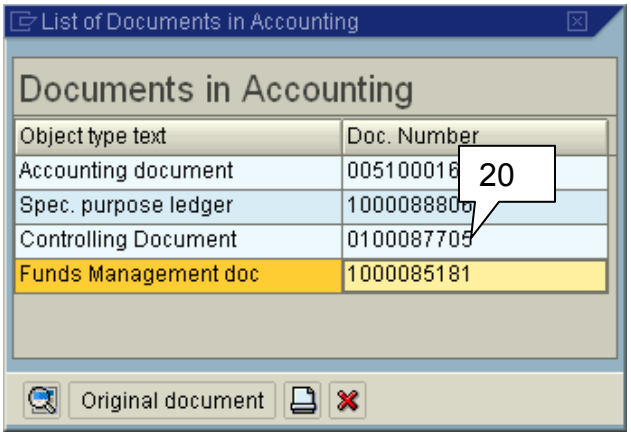
The Posted Unit of Measure, the cost object type (K for cost center) and the offsetting account (in this case, the account number of the vendor who is collecting this sales tax).

19. Click the back button to continue.



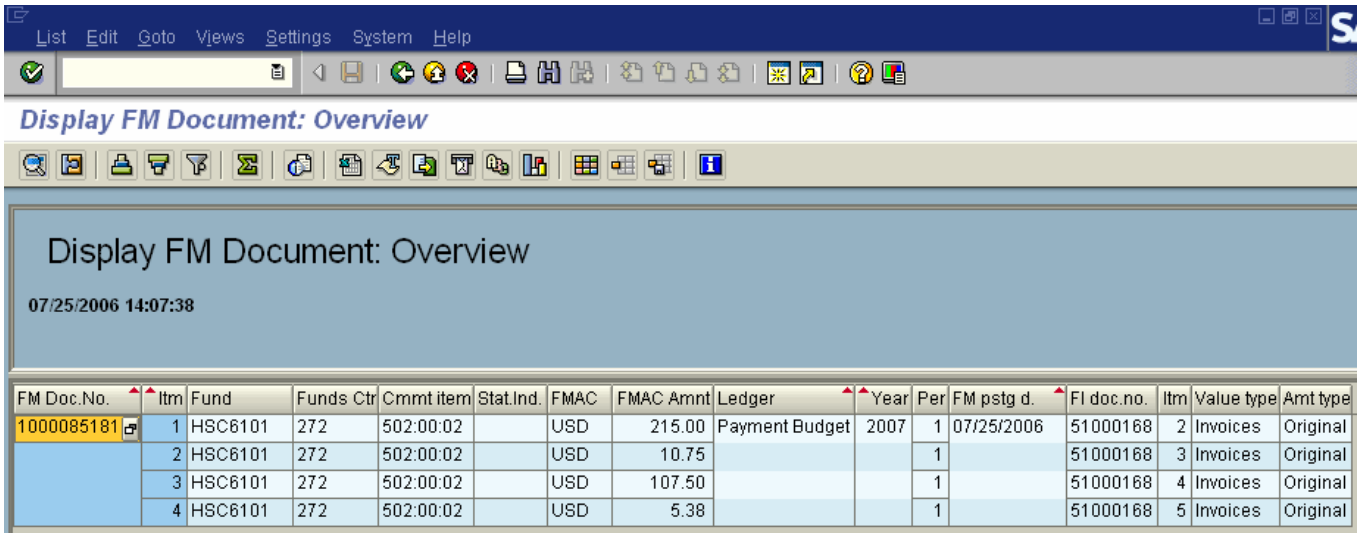
How Do I View the FM Document?

20. Double-click the Funds Management Document to continue.

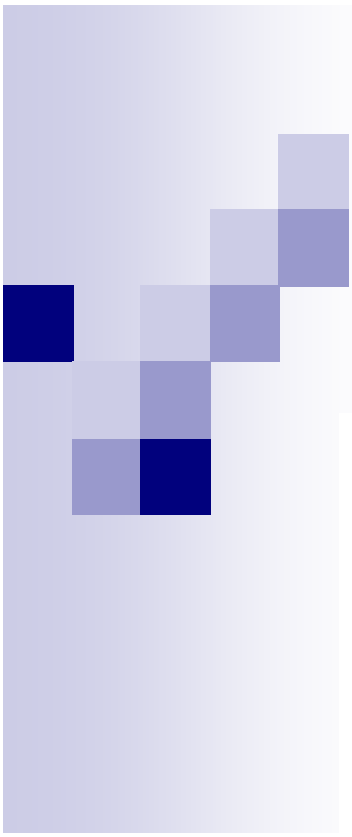


The posting to funds management recorded an invoice commitment to the fund, funds center and commitment item for both the amount of the goods being paid and the sales tax.

Information contained in this document also includes the currency, ledger, year, FM posting date, Item number, and amount type.



FM Doc.No.	Itm	Fund	Funds Ctr	Cmmt item	Stat.Ind.	FMAC	FMAC Amnt	Ledger	Year	Per	FM pstg d.	FI doc.no.	Itm	Value type	Amt type
1000085181	1	HSC6101	272	502:00:02		USD	215.00	Payment Budget	2007	1	07/25/2006	51000168	2	Invoices	Original
	2	HSC6101	272	502:00:02		USD	10.75			1		51000168	3	Invoices	Original
	3	HSC6101	272	502:00:02		USD	107.50			1		51000168	4	Invoices	Original
	4	HSC6101	272	502:00:02		USD	5.38			1		51000168	5	Invoices	Original



Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 12
Logistics and the Budget

How Is Budget Taken in the Logistics Process?

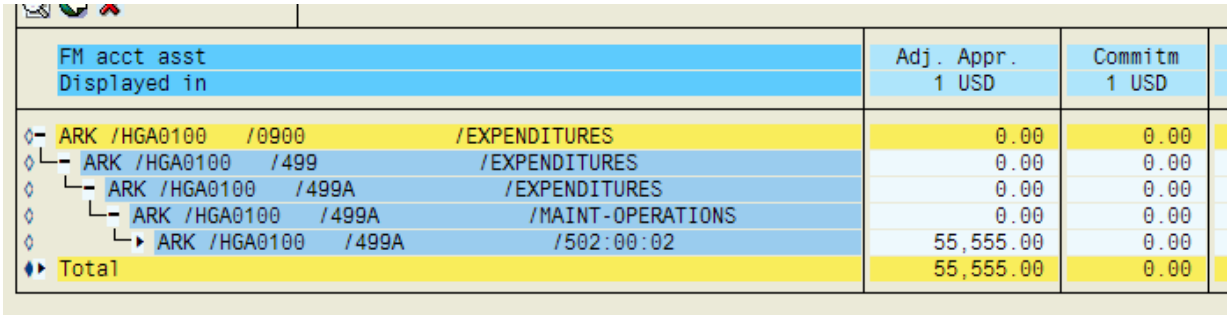
A budget commitment is recorded at the point of purchase requisition (or purchase order if no requisition is entered). The amount of commitment is the quantity ordered multiplied by the expected price. If shipping and taxes are anticipated when entering the purchasing document, these items will also be committed.

What Is a Budget Commitment?

A commitment is an encumbrance to your budget and is recorded by fund, funds center, commitment item, and functional area. Basically, that means that the budget is held up and you can't spend it for anything else until the commitment is released.

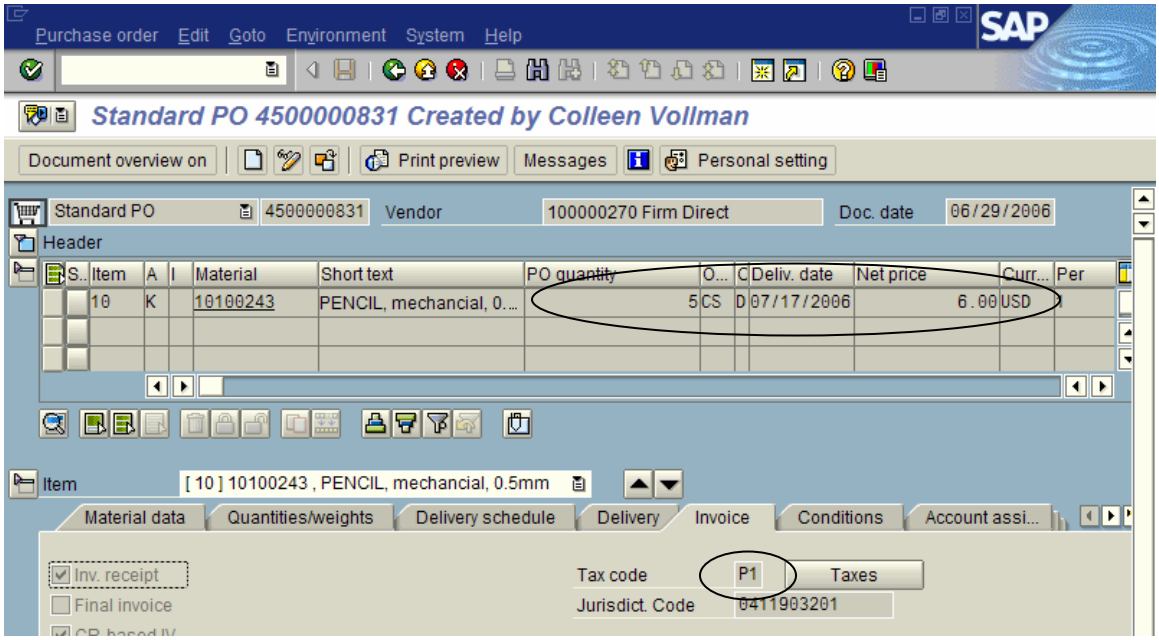
Example:

Before entering the Purchase Order, the Available Budget Report shows commitments of 0:



FM acct asst Displayed in	Adj. Appr. 1 USD	Commitm 1 USD
ARK /HGA0100 /0900 /EXPENDITURES	0.00	0.00
ARK /HGA0100 /499 /EXPENDITURES	0.00	0.00
ARK /HGA0100 /499A /EXPENDITURES	0.00	0.00
ARK /HGA0100 /499A /MAINT-OPERATIONS	0.00	0.00
ARK /HGA0100 /499A /502:00:02	55,555.00	0.00
Total	55,555.00	0.00

Your agency enters a purchase order for 5 cases of pencils at $6.00 each, with a tax code of P1 and expected tax rate of 7.5%.



A commitment will be recorded in the fund, funds center, operating expense commitment item and functional area for $32.25 (5 cases of pencils times $6.00 per box plus a $2.25 sales tax). The $32.25 is subtracted from your available budget.

FM acct asst Displayed in		Adj. Appr. 1 USD	Commitm 1 USD
ARK /HGA0100 /0900	/EXPENDITURES	0.00	32.25
ARK /HGA0100 /499	/EXPENDITURES	0.00	32.25
ARK /HGA0100 /499A	/EXPENDITURES	0.00	32.25
ARK /HGA0100 /499A	/MAINT-OPERATIONS	0.00	32.25
ARK /HGA0100 /499A	/502:00:02	55,555.00	32.25
Total		55,555.00	32.25

The line item for the above commitment is as follows:

Commitment/Actual Line Items by Document Number

06/29/2006 09:52:53

RefDocNo	Item	Curr.	Σ Commt bdgt	Σ Pymt Bdgt	Text	FMA	Fund	Funds ctr	Cmmt item	Stat.Ind.
4500000831	10	USD		32.25	PENCIL, mechancial, 0.5mm	ARK	HGA0100	499A	502:00:02	
		USD		32.25						

There is no change to the budget when a goods receipt is entered.

What Happens to the Commitment when the Invoice Is Entered?

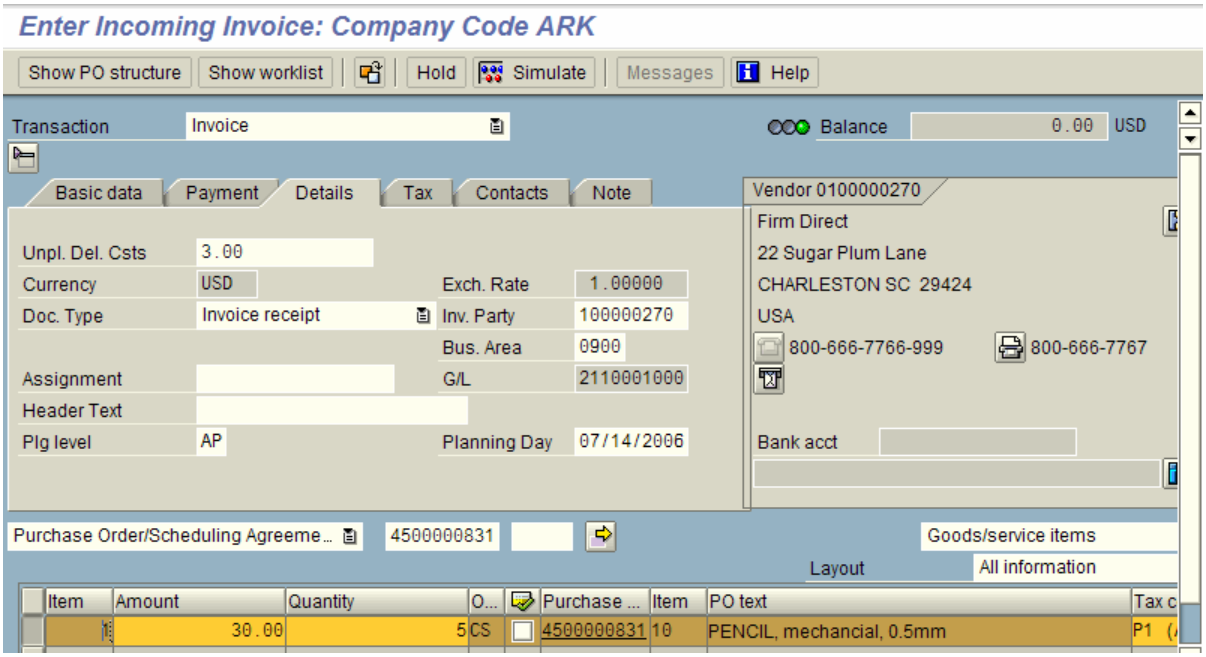
If the invoice is entered for the same quantity and price, and the sales tax and shipping are the same as recorded in the purchase order, you won't notice a difference in the total budget commitment at invoice entry. You will see a difference in the line items as AASIS will convert the commitment from a commitment from a purchase order to a commitment from an invoice.

Example:

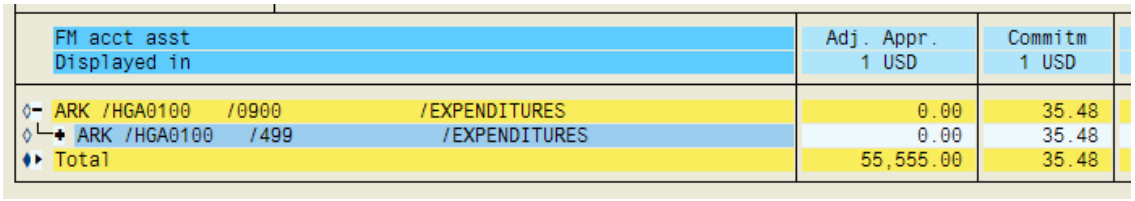
You enter a MIRO document for the 5 boxes of pencils in the previous example. The invoice is for a quantity of 5 at a price of $6.00 each and $2.25 in sales tax. Your commitment to the budget is still $32.25, only now it will be listed in the line items as an invoice commitment rather than a purchase order commitment.

Example 2:

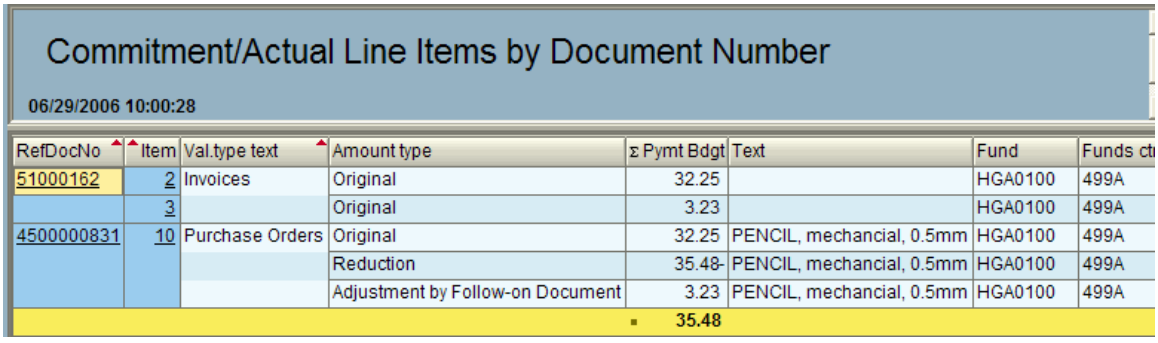
Same as above, only the vendor added $3.00 in shipping costs. An additional $3.23 invoice commitment will be added to the fund, funds center, commitment item and functional area. (The commitment is now $35.48 ($32.25+$3.00 shipping +$0.23 tax on the shipping.)



The MIRO document above changed the budget commitment as follows:



The line items for this commitment are as follows:



RefDocNo	Item	Val.type text	Amount type	Σ Pymt Bdgt	Text	Fund	Funds ct
51000162	2	Invoices	Original	32.25		HGA0100	499A
	3		Original	3.23		HGA0100	499A
4500000831	10	Purchase Orders	Original	32.25	PENCIL, mechancial, 0.5mm	HGA0100	499A
			Reduction	35.48-	PENCIL, mechancial, 0.5mm	HGA0100	499A
			Adjustment by Follow-on Document	3.23	PENCIL, mechancial, 0.5mm	HGA0100	499A
				35.48			

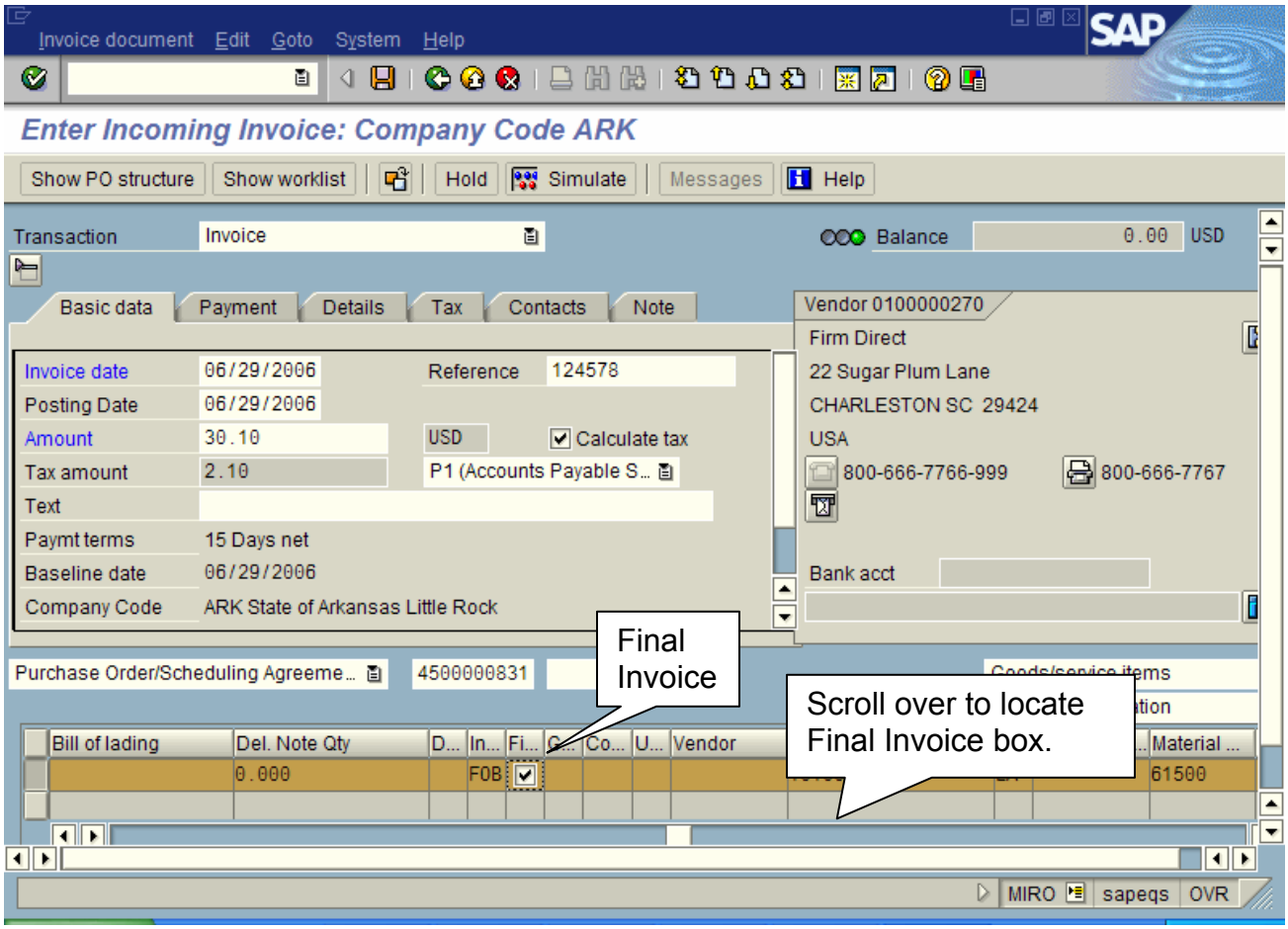
What If the Invoice Is Less than the Purchase Order?

If the invoice is less than the purchase order, you can relieve the commitment by clicking the final invoice box on each line of the MIRO document.

Caution: Do not check the final invoice box until the last invoice has been received for that line item.

Example:

Same as above, only the vendor reduced the price on the pencils to $5.00 per case. The amount of the commitment is now $30.10 (25.00 for the pencils + $3.00 shipping + 2.10 tax.) The MIRO is entered, using the new line item amount. Clicking the final invoice box for the line item reduces the commitment from 35.48 to 30.10.



After posting the MIRO document with the Final Invoice box checked, the budget commitment is reduced as follows:

FM acct asst Displayed in	Adj. Appr. 1 USD	Commitm 1 USD
ARK /HGA0100 /0900 /EXPENDITURES	0.00	30.10
ARK /HGA0100 /499 /EXPENDITURES	0.00	30.10
ARK /HGA0100 /499A /EXPENDITURES	0.00	30.10
ARK /HGA0100 /499A /MAINT-OPERATIONS	0.00	30.10
Total	55,555.00	30.10

The line items reflect the reduction. The “Adjustment by Follow-on Document” line nets the additional shipping cost, price reduction, and sales tax.

Commitment/Actual Line Items by Document Number

06/29/2006 10:34:04

RefDocNo	Item	Val.type text	Amount type	Curr.	Σ Pymt Bdgt	Text	Fund	Funds
51000175	2	Invoices	Original	USD	32.25		HGA0100	499A
	3		Original	USD	2.15-		HGA0100	499A
4500000831	10	Purchase Orders	Original	USD	32.25	PENCIL, mechancial, 0.7mm	HGA0100	499A
			Reduction	USD	30.10-	PENCIL, mechancial, 0.7mm	HGA0100	499A
			Adjustment by Follow-on Document	USD	2.15-	PENCIL, mechancial, 0.7mm	HGA0100	499A
				USD	30.10			

Tips for Using the Final Invoice Check Box

Remember to only use the final invoice check box when the last item has been received for the line. Clicking the box relieves the commitment and opens up the budget for other use. If you had to make another payment on this line item, the budget may be taken!

Remember that the final invoice box only affects the line item checked and not other line items on the invoice. If you wish to relieve commitments on other lines of the invoice, you will have to check them separately.

The final invoice check box only affects budget and does not affect the GR/IR account.

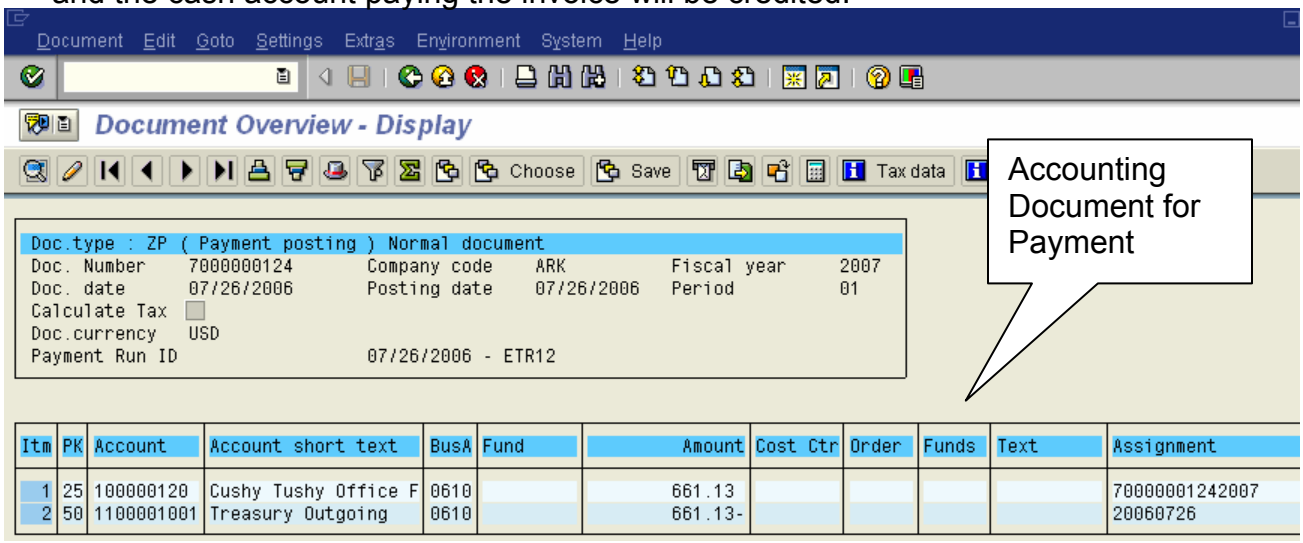
Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 13
Payment

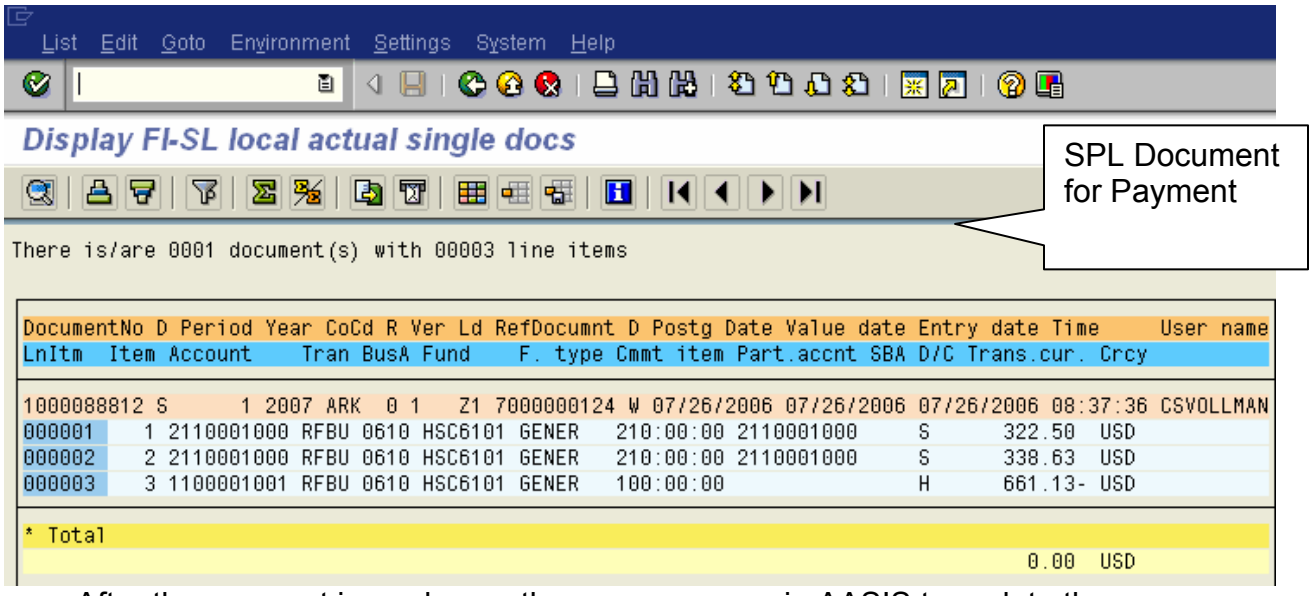
The posted invoice will remain open until it is included in the payment run. The Payment Program runs Sunday through Thursday at 8:00 p.m., and the FMF0 program runs later to change the commitment to an expense in FM.

How Is Payment Reflected in AASIS?

At the point of payment, the vendor accounts payable account will be debited and the cash account paying the invoice will be credited.

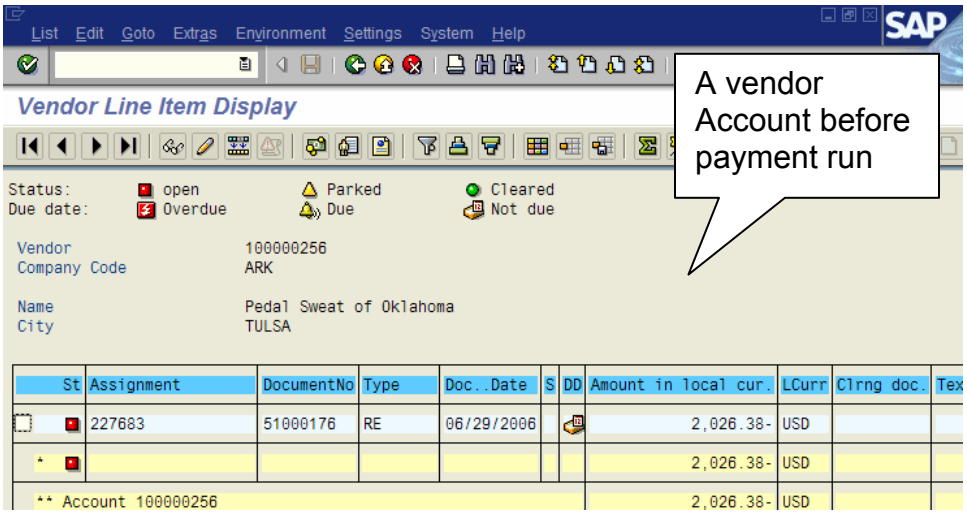


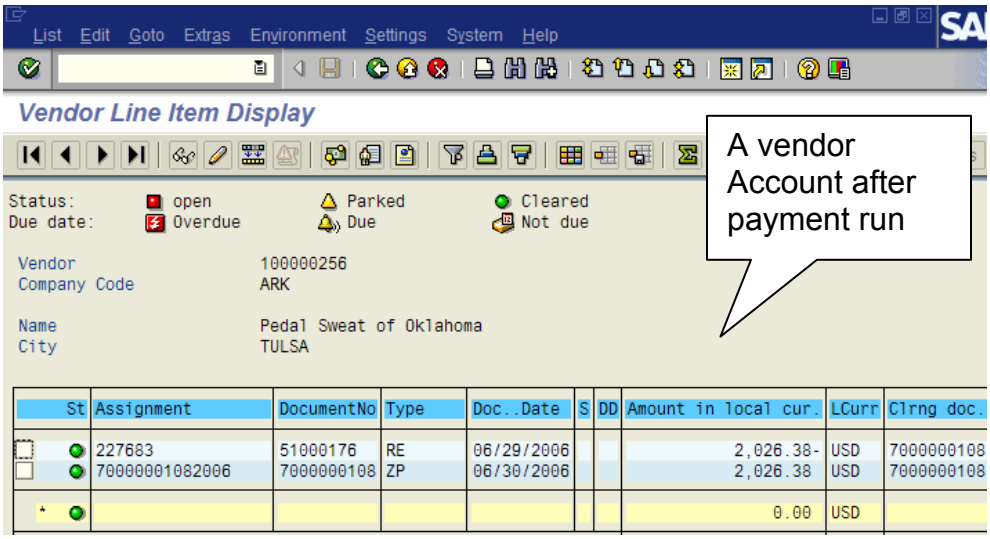
The Special Purpose Ledger will account for the paying fund: the vendor accounts payable account in the fund or funds will be debited and the cash account paying the invoice will be credited.



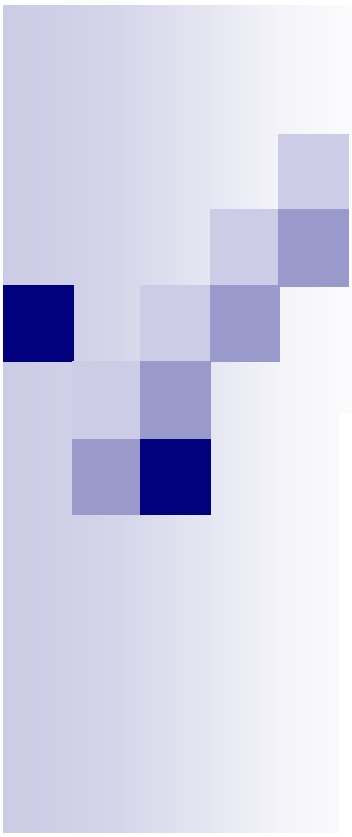
After the payment is made, another program runs in AASIS to update the budget. The commitments will be reduced and the expenditures will be increased for the amount of the payment in the fund, funds center, commitment item and functional area.

The payment run will automatically clear the vendor account for the invoices that were paid





After the payment run, you can view the results in the Payment List Report, transaction S_P99_41000099. See the AASIS Reporting Handbook for complete details.



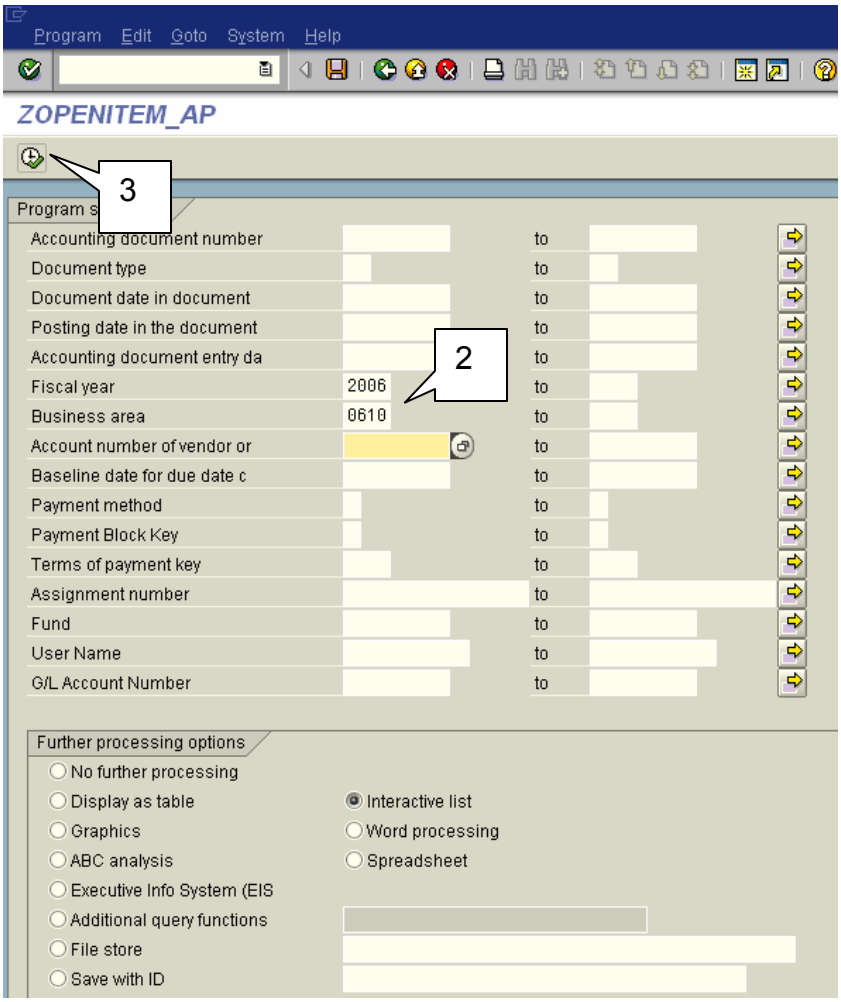
Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 14
Troubleshooting Unpaid Invoices

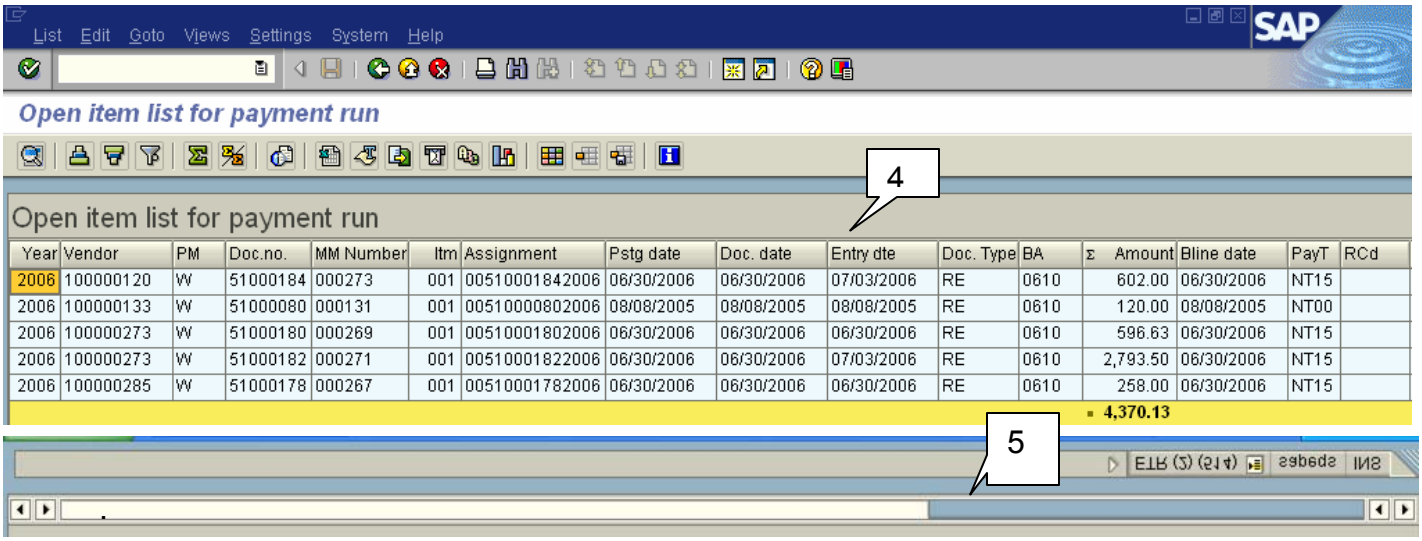
How Do I Know if AASIS Paid the Invoice?

To determine if any invoices are outstanding, use report ZOPENITEMAP.

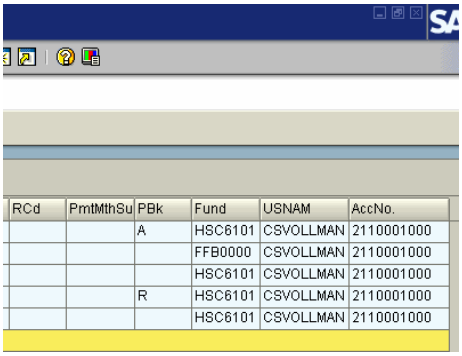
1. Enter ZOPENITEMAP in the command field. There is no menu path.
2. Enter the fiscal year and your business area. Other fields are available to narrow the selection as desired.
3. Click the Execute button.



4. The report lists invoices that have been posted but not paid.
5. Scroll over to view more columns



Year	Vendor	PM	Doc.no.	MM Number	Itm	Assignment	Pstg date	Doc. date	Entry dte	Doc. Type	BA	Σ Amount	Bline date	PayT	RCd
2006	100000120	W	51000184	000273	001	00510001842006	06/30/2006	06/30/2006	07/03/2006	RE	0610	602.00	06/30/2006	NT15	
2006	100000133	W	51000080	000131	001	00510000802006	08/08/2005	08/08/2005	08/08/2005	RE	0610	120.00	08/08/2005	NT00	
2006	100000273	W	51000180	000269	001	00510001802006	06/30/2006	06/30/2006	06/30/2006	RE	0610	596.63	06/30/2006	NT15	
2006	100000273	W	51000182	000271	001	00510001822006	06/30/2006	06/30/2006	07/03/2006	RE	0610	2,793.50	06/30/2006	NT15	
2006	100000285	W	51000178	000267	001	00510001782006	06/30/2006	06/30/2006	06/30/2006	RE	0610	258.00	06/30/2006	NT15	
												4,370.13			



RCd	PmtMthSu	PBk	Fund	USNAM	AccNo.
		A	HSC6101	CSVOLLMAN	2110001000
			FFB0000	CSVOLLMAN	2110001000
			HSC6101	CSVOLLMAN	2110001000
		R	HSC6101	CSVOLLMAN	2110001000
			HSC6101	CSVOLLMAN	2110001000

You can't drill down to the document from this list, but you can get the document number and display it in other transactions.

Why Didn't My Invoice Pay?

Common reasons for nonpayment are:

1. Payment is not due.

AASIS will pay invoices when the date is equal to the Baseline date plus the number of days indicated by the payment terms. If the current date is before that, the invoice will show up on this list.

2. The Fund does not have enough cash for payment.

Cash is not checked by the system until the point of the payment run. This will require a little research. You should compare the amount of attempted payments from the fund to the amount of cash available. Look at a Trial Balance (selected for periods 0 through current period for the paying fund). Find the "Cash Available to Spend" line. Compare this amount to the amount

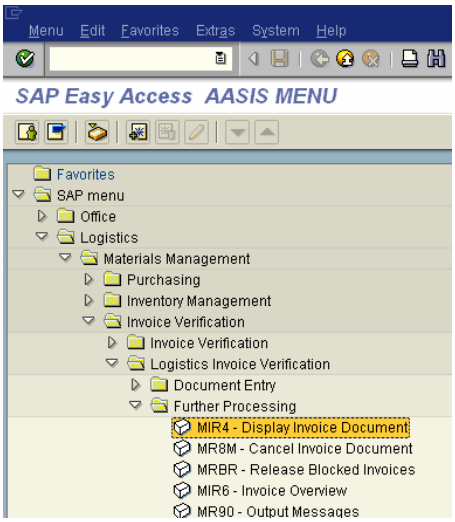
of attempted payments. The payment run sorts and groups by vendor and pays as many vendors as it can before it runs out of money.

3. There is a payment block on the invoice.

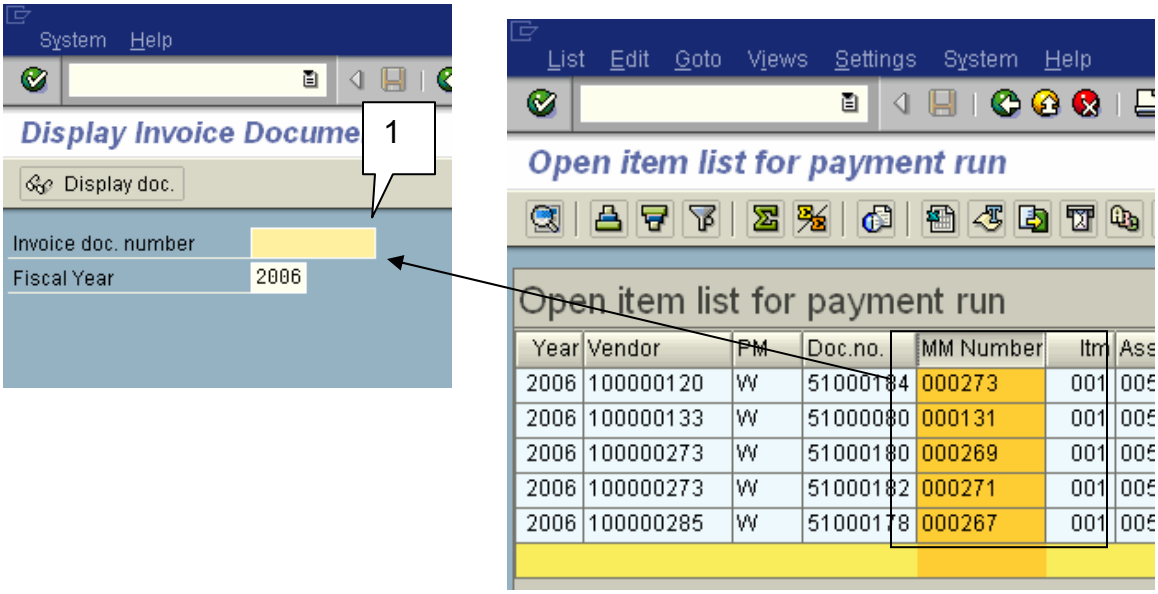
A payment block will be indicated in the PBlk column of the report. The block may be a system block (indicated by R) or a manual block entered by a user (indicated by A).

How Can I Find the Problem?

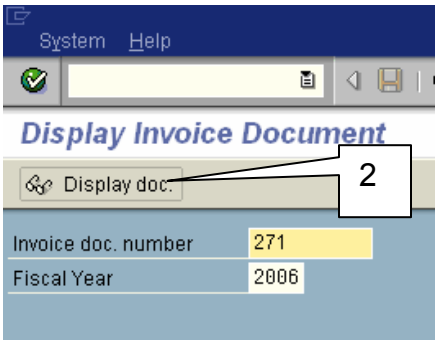
Start by using transaction MIR4 to view the MM document.



1. Enter the MM document number in the Invoice doc. number field. You can get this number from the ZOPENITEMAP report in the MM Number column.

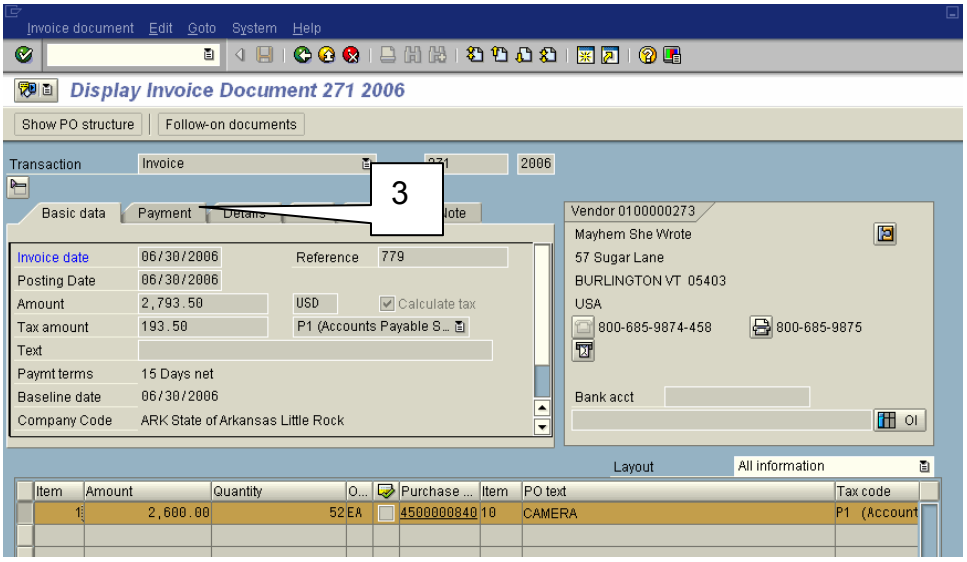


2. Press the Enter key or click the Display doc. button.



AASIS displays the invoice. You're looking for the reason for the system block on this payment. (The ZOPENITEMAP report had the letter R in the payment block column.)

3. Click the Payment tab to view the block.



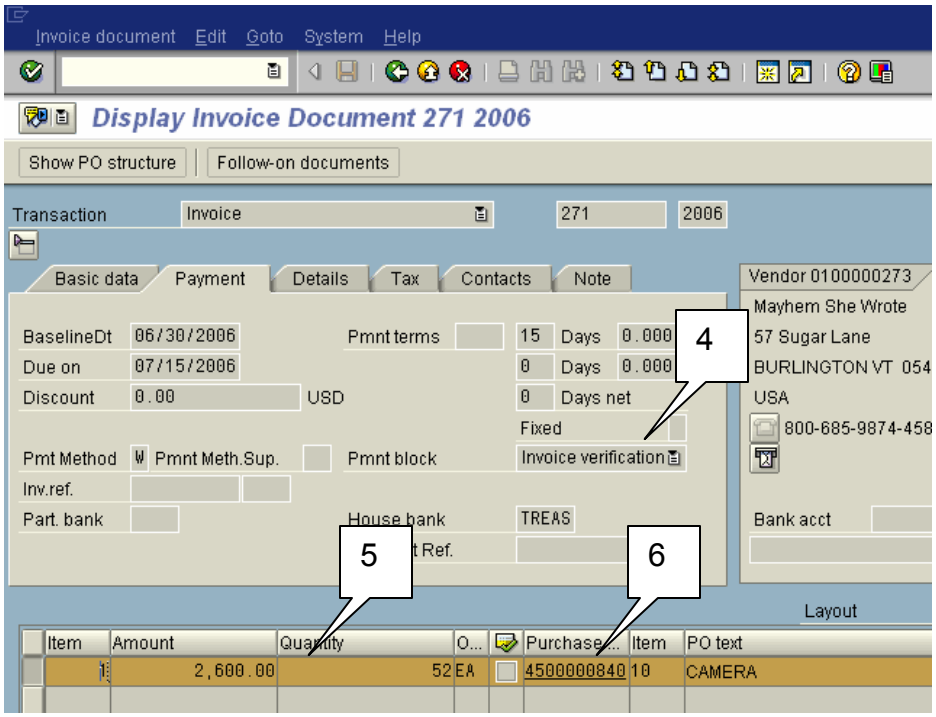
The system will block an invoice for payment:

a. If the quantity on the invoice exceeds the quantity on the goods receipt.

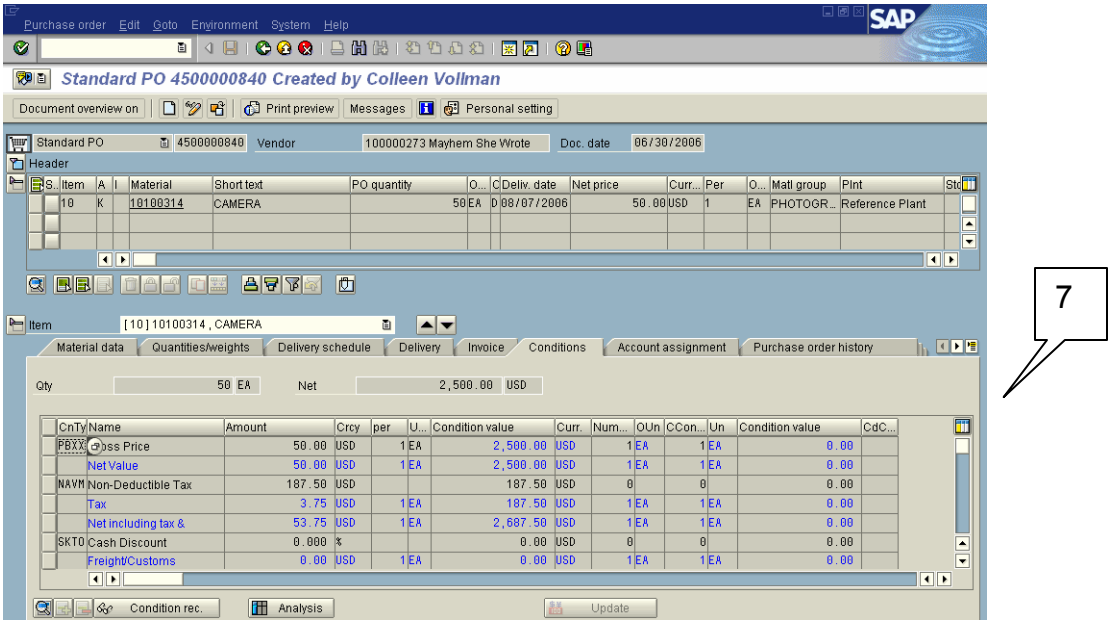
b. If the dollar amount of the payment exceeds the system calculated dollar amount by $100 or 10%, whichever is less.

c. Anything over $100,000 is automatically blocked.

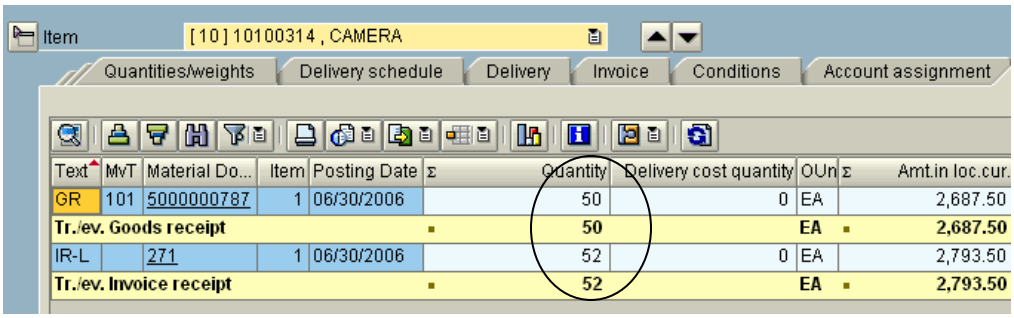
4. "Invoice verification" is displayed in the Payment block field.
5. Check the dollar amount and quantity on the invoice.
6. To see if this amount agrees with the quantity on the goods receipt, double-click the purchase order number.



7. Click the Purchase order history tab.



Note that the quantity of the Invoice Receipt is greater than the quantity of the Goods Receipt. This caused the system block.



Text	MvT	Material Do...	Item	Posting Date	Σ	Quantity	Delivery cost quantity	OUn	Σ	Amt.in loc.cur.
GR	101	5000000787	1	06/30/2006		50	0	EA		2,687.50
Tr./ev. Goods receipt						**50**		**EA**		**2,687.50**
IR-L		271	1	06/30/2006		52	0	EA		2,793.50
Tr./ev. Invoice receipt						**52**		**EA**		**2,793.50**

Can I Unblock the Invoice?

In the case of a system block for quantity, you should never manually unblock the invoice. The correct procedure is to cancel the invoice (MR8M), clear the vendor (F-44), and enter a new invoice with the correct quantity. If the invoice is for a greater quantity than the goods receipt, contact the goods receipt person to determine what was actually received.

You can unblock an invoice when the block was put on manually, or is the result of a subsequent debit that only affects the dollar amount and not the quantity. **You should understand the reason for the block and the consequences for unblocking the invoice.**

Unblocking an invoice will be discussed in detail in a later chapter.

What Changes Can I Make to a Posted Invoice?

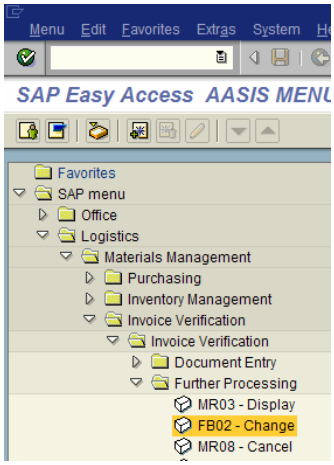
An invoice that has been posted can have the following fields changed:

a. Withholding tax code

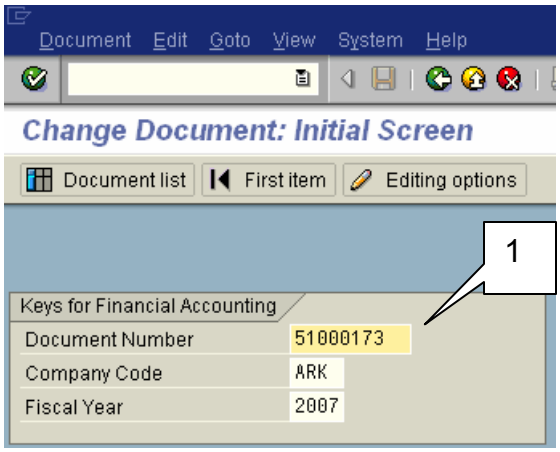
b. Assignment number in the line item

c. Payment terms

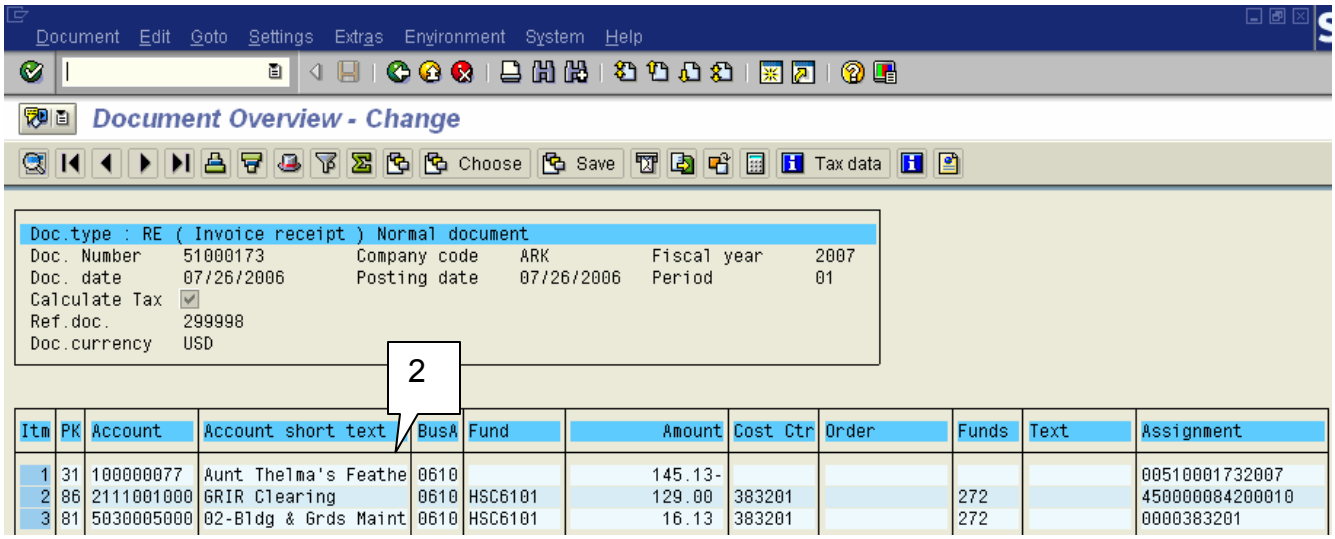
Use transaction FB02 to change a posted invoice.



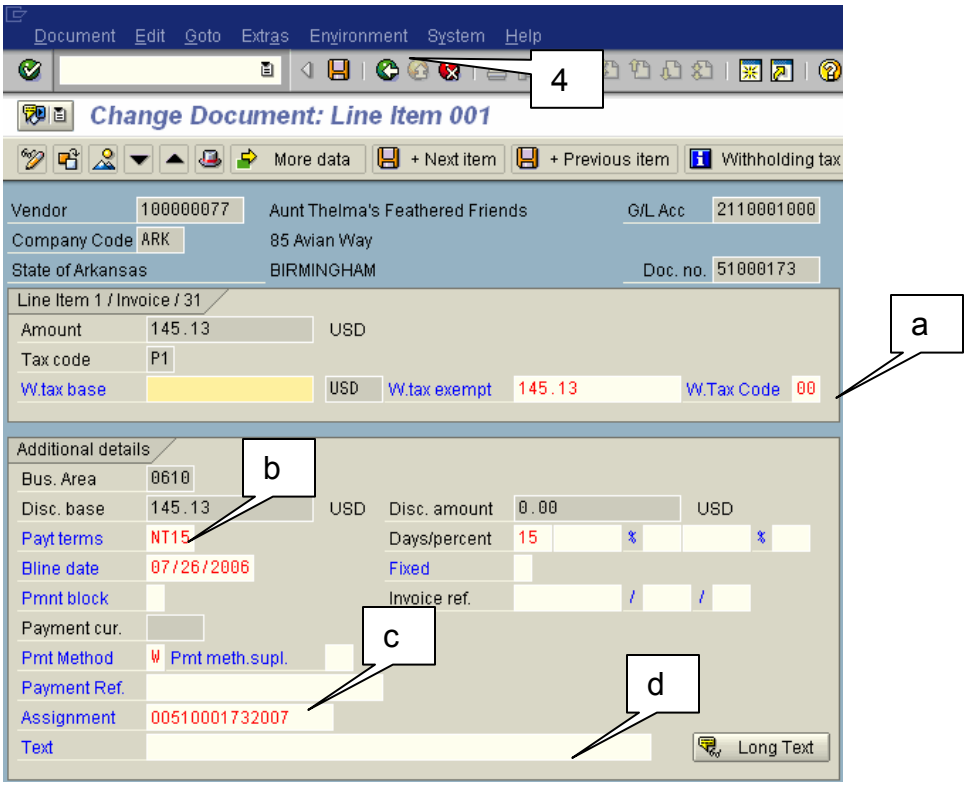
1. Enter the FI document number or use the document list button (described earlier) to search. Click the green check or press the Enter key.



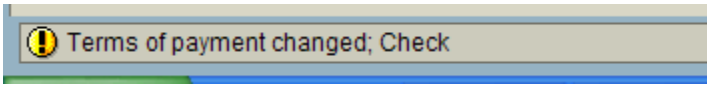
2. AASIS displays the document. Double-click the line with the vendor name.



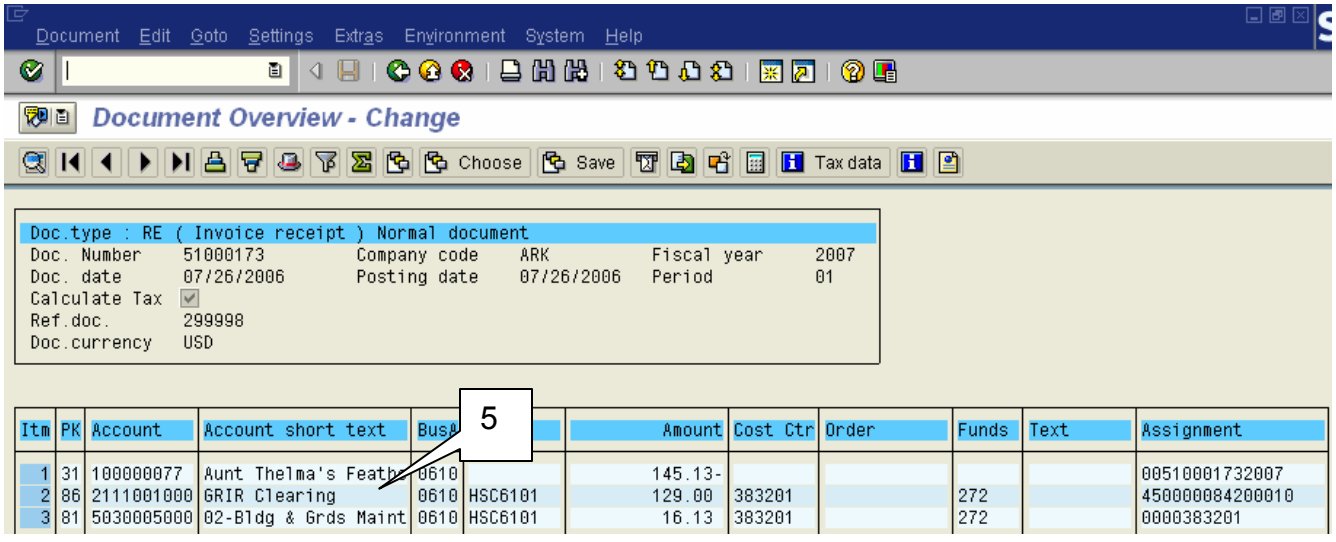
3. Change the withholding tax code (a), the payment terms(b), assignment line(c), or text(d) as desired.
4. Click the Back button to continue.



If you changed the payment terms, you will see a warning message. Press the enter key to clear this message and continue.

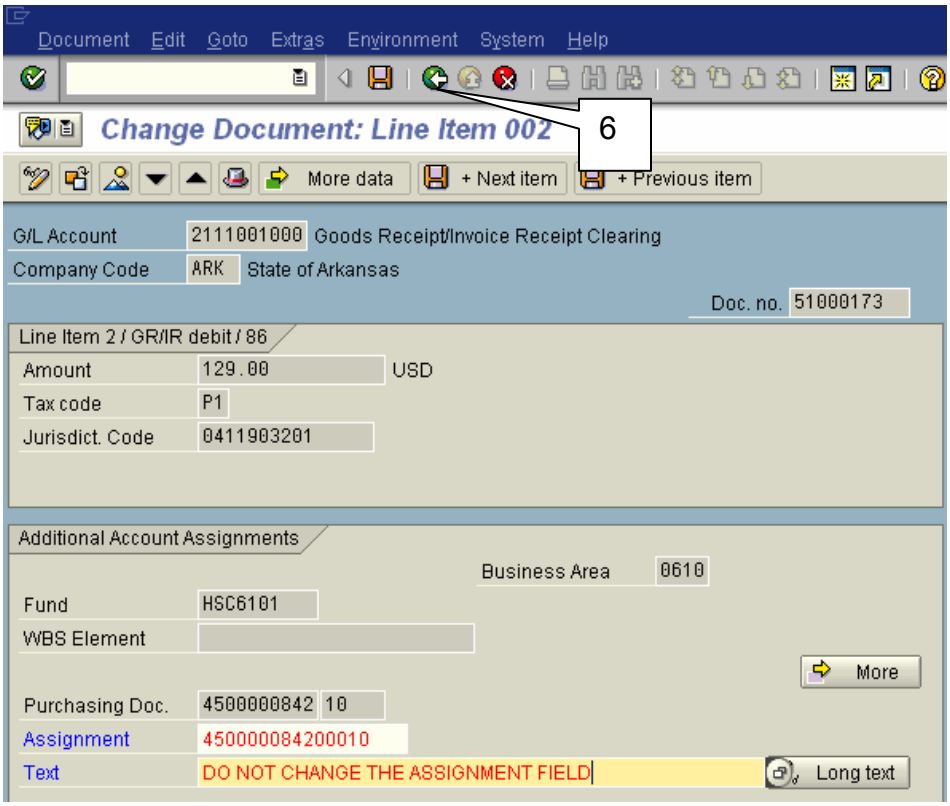


5. Double click the GR/IR Clearing line of the document.

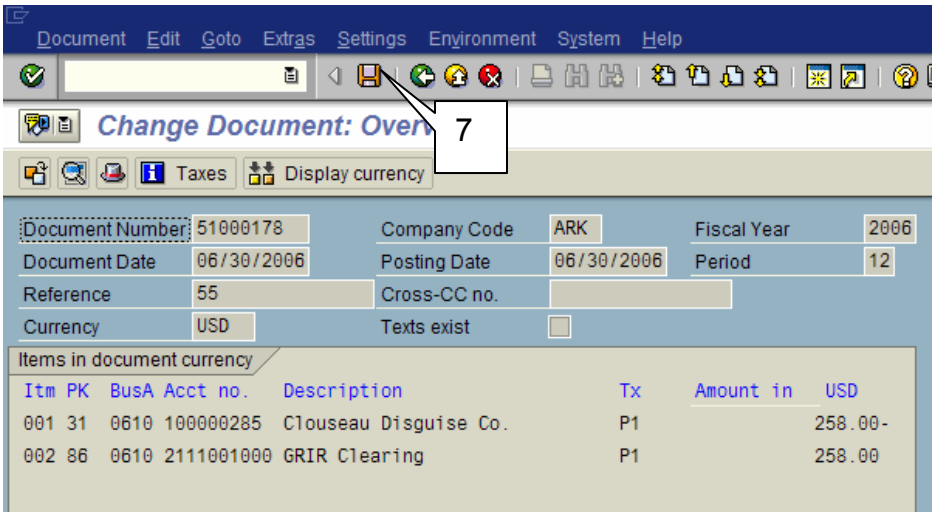


Please note: The only thing that you can do in this screen is add text. Even though the assignment line looks like it is open for entry, **you should not change the assignment line**. Doing so will cause an error in the accounts.

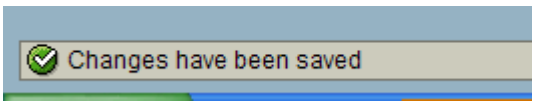
6. Add text if desired and click the back button to continue.



7. Save the document.

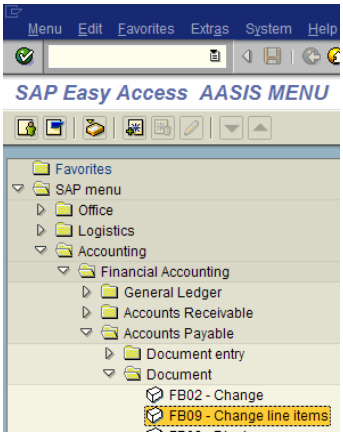


AASIS returns a message that the changes have been saved.

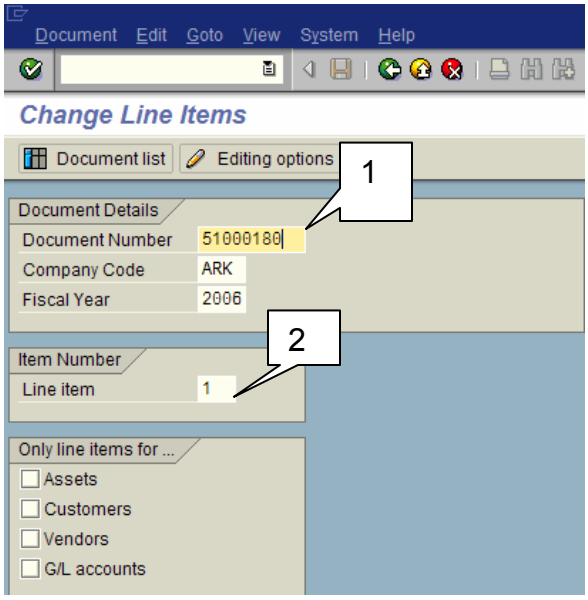


Changing a Document with Transaction FB09

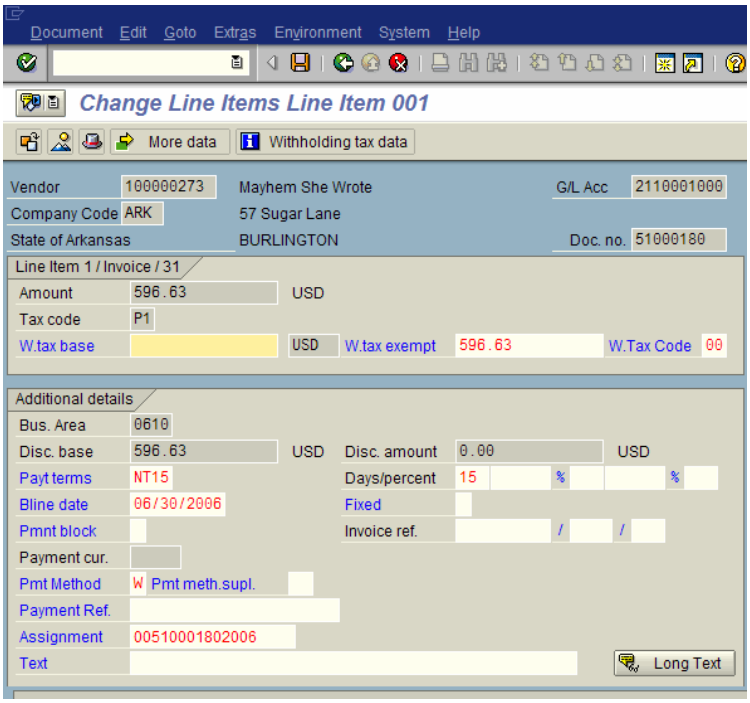
You can also change a document one line at a time with transaction FB09.



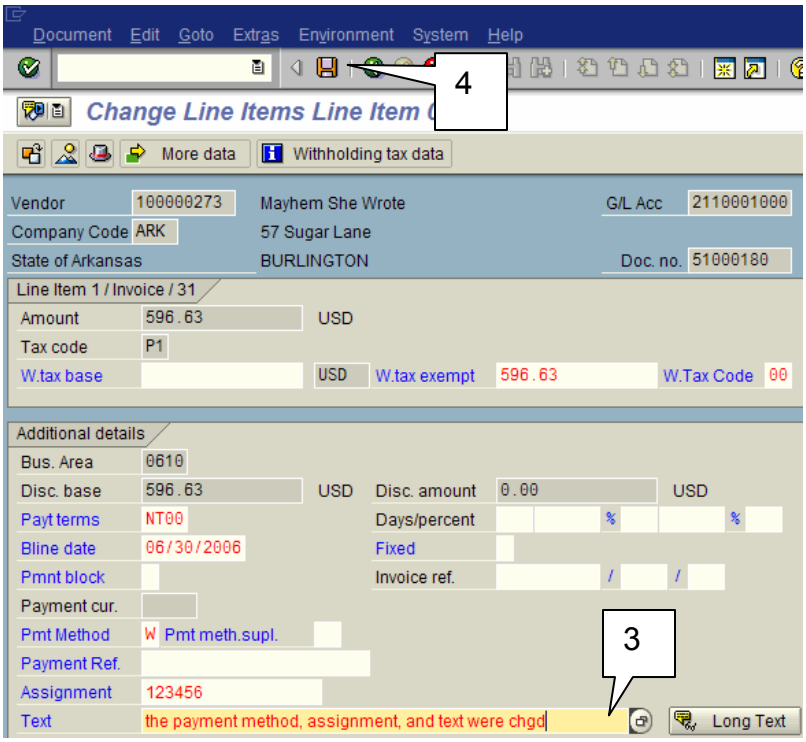
1. Enter the document number, or use the document list button to display a list of documents from which to choose.
2. Enter the line item you wish to change, or use the “only line items for” box to narrow down your search for assets, customers, vendors, or GL accounts.



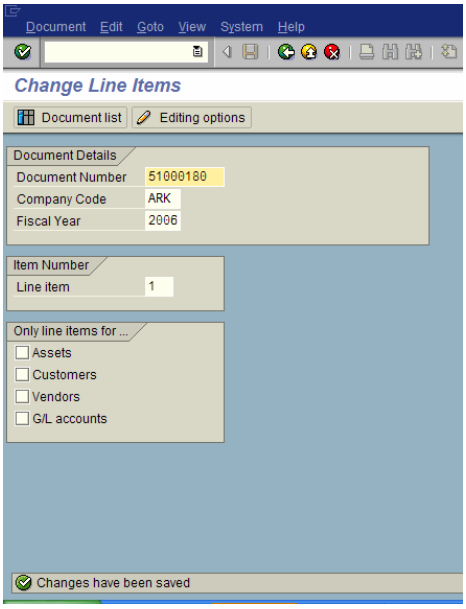
AASIS displays a line from the document according to your specifications.



3. Make changes as desired.
4. Save the changes.

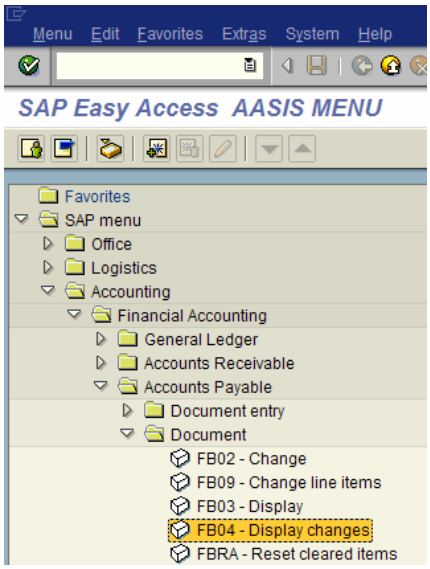


AASIS takes you back to the Change Line Items selection screen with the message: “Changes have been saved”. Repeat process as needed for additional lines. Remember that you can’t change the assignment field on the GR/IR clearing line.

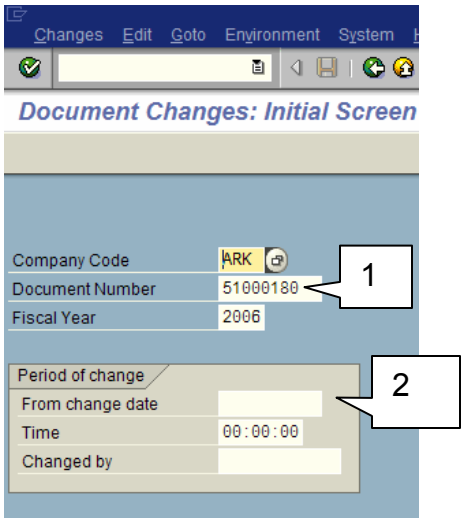


How Can I Find Out What Changes Have Been Made to a Document?

To view document changes, use transaction FB04.

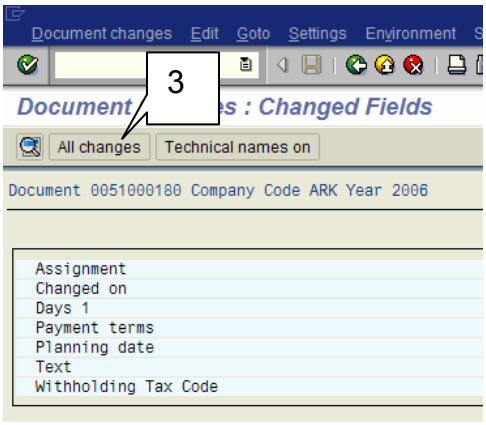


1. Enter the document number and fiscal year.
2. You can use the “period of change” box to narrow down the time period of the changes that you wish to view. Press the Enter key.



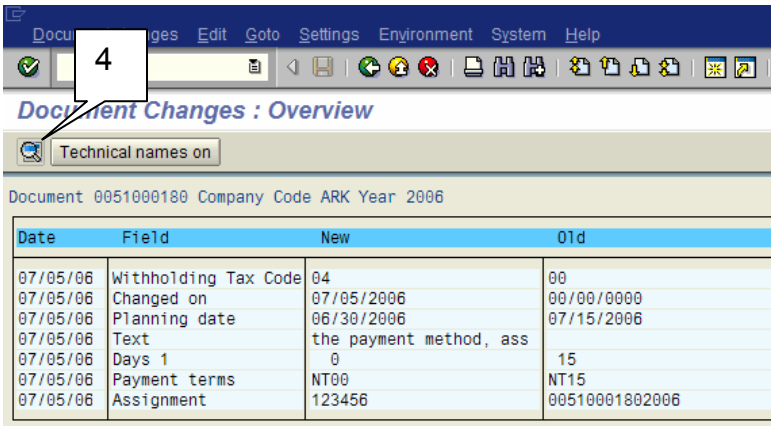
AASIS displays a list of changes.

3. To view more information, click the All changes button.



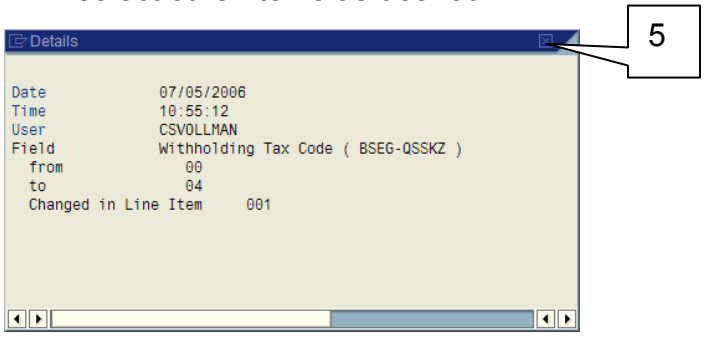
The display reveals the date of the change, the field that was changed, the new field contents and the old field contents.

4. To view more information, select a line and click the choose button.



The details box will pop up. You can now view more details of the change including the user id of the person who made the change, the time and the line item of the document that was changed.

5. Close the details box to go back to the changed fields screen and select other items as desired.



Exercise

Change the payment terms on the invoice you created in Chapter 8 Exercise 1 to “Pay immediately”. View the change in transaction FB04.

Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 15
Warrant Cancellations and Outlawed Warrants

What Is a Warrant Cancellation?

This is the process by which you either void and reissue a warrant, or cancel the warrant without reissue.

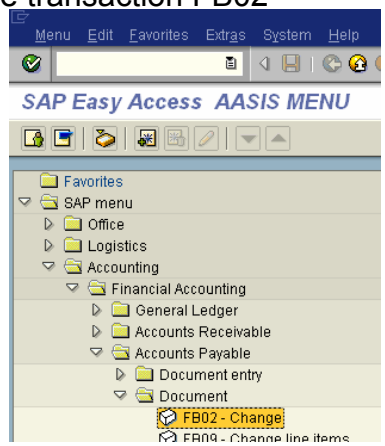
To cancel a warrant, you must send in a form to DFA Office of Accounting. The form can be found on DFA's website.

You can indicate on the form whether you want the warrant to be reissued or not. If the warrant will not be reissued, you must provide document numbers so that DFA can reverse the invoice up to the point of goods receipt. (The agency must reverse the goods receipt.) Once DFA has cancelled the warrant, the status of the invoice will be open for payment. The warrant will automatically reissue if the invoice is not reversed.

If the warrant is being reissued because it originally went to the wrong address, you should mark it for pick up so that you can mail it yourself to make sure it goes to the right place. (Notify Office of State Purchasing if a permanent address change is needed.) DFA will notify your agency when the document is ready to be marked for pickup.

How Do I Mark the Warrant for Pick Up?

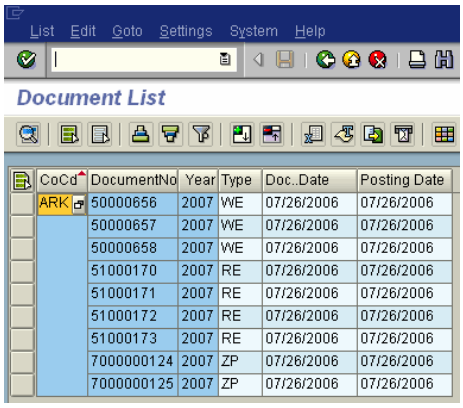
Use transaction FB02



Enter the document number, or make entries to narrow the selection to search for the document.

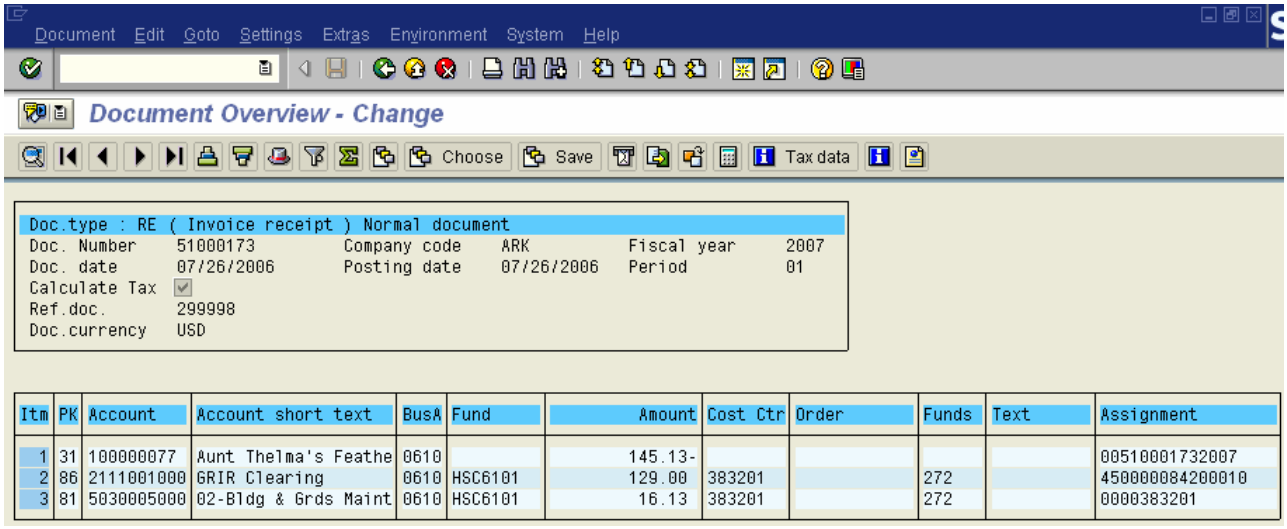
Click the Execute button.

Double-click the document.



CoCd	DocumentNo	Year	Type	Doc..Date	Posting Date
ARK	50000656	2007	WE	07/26/2006	07/26/2006
	50000657	2007	WE	07/26/2006	07/26/2006
	50000658	2007	WE	07/26/2006	07/26/2006
	51000170	2007	RE	07/26/2006	07/26/2006
	51000171	2007	RE	07/26/2006	07/26/2006
	51000172	2007	RE	07/26/2006	07/26/2006
	51000173	2007	RE	07/26/2006	07/26/2006
	7000000124	2007	ZP	07/26/2006	07/26/2006
	7000000125	2007	ZP	07/26/2006	07/26/2006

Double-click the vendor line of the document.

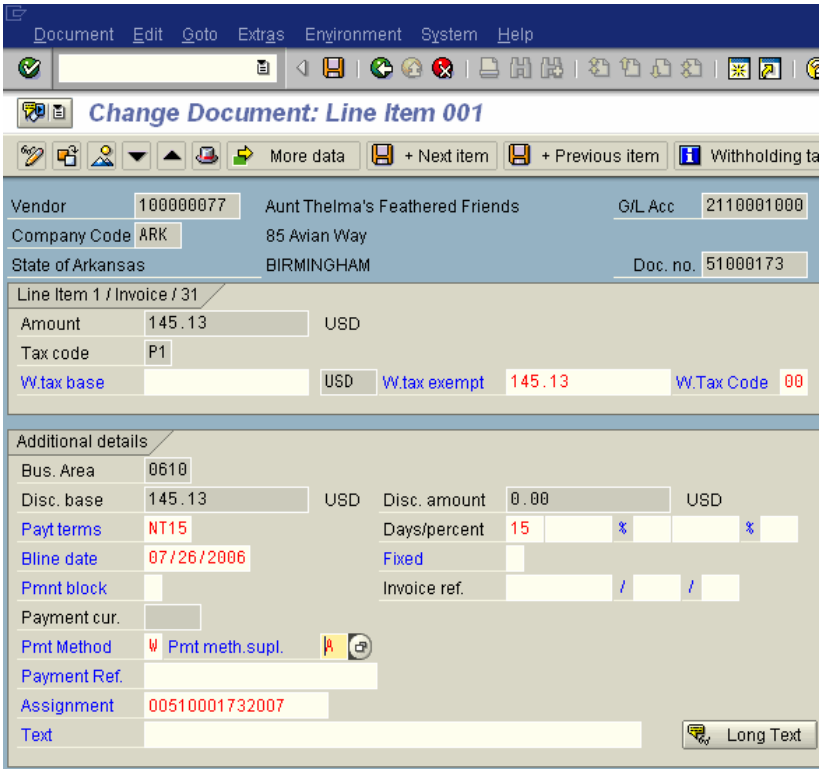


Itm	PK	Account	Account short text	BusA	Fund	Amount	Cost Ctr	Order	Funds	Text	Assignment
1	31	100000077	Aunt Thelma's Feathe	0610		145.13-					00510001732007
2	86	2111001000	GRIR Clearing	0610	HSC6101	129.00	383201		272		450000084200010
3	81	5030005000	02-Bldg & Grds Maint	0610	HSC6101	16.13	383201		272		0000383201

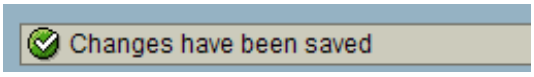
Place your cursor in the Pmnt meth supl box and click the match code.

Choose A—Hold for Agency Pickup

Click the Save button.



AASIS returns a message that the changes were saved.



Prior Year Warrants

When prior year warrants are cancelled and reissued, they are not reissued through AASIS, but are duplicated by the state auditor.

Outlawed Warrants

If they are not redeemed after a certain amount of time, warrants become “outlawed” and cannot be paid.

Outlawed warrants are outstanding warrants from the previous twelve months following the close of a fiscal year.

Example 1: A warrant from July of 2004 is considered an outlawed warrant after June 30, 2006.

Example 2: A warrant from June 2005 is considered an outlawed warrant after June 30, 2006.

The money from outlawed warrants (if state general revenue funds) is subject to reclaim by the state.

For more information on outlawed warrants, see pages 76 and 77 of the Financial Management Guide.

http://www.arkansas.gov/dfa/accounting/guide/acc_fin_man_guide_index.html

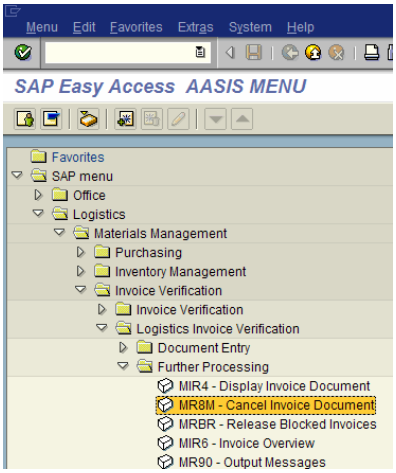
Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 16
Canceling a Logistics Invoice

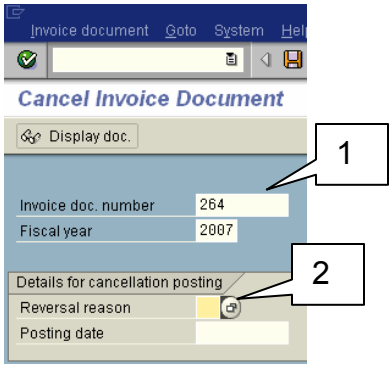
How Can I Cancel a Logistics Invoice?

You cannot cancel or reverse a MIRO that has already paid. MIRO invoices that have not been paid can be reversed. You can reverse the MIRO with transaction MR8M. After you have reversed the MIRO, it will be necessary to clear the vendor to prevent payment.

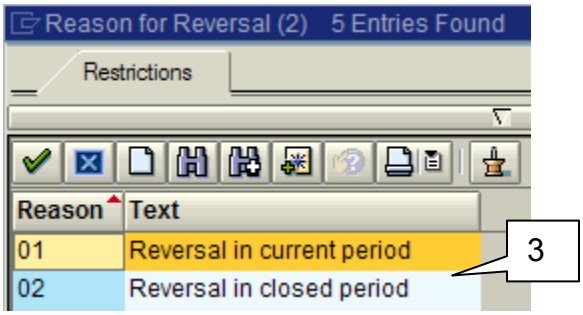
Use transaction MR8M to reverse the logistics invoice.



1. Enter the MM document number.
2. Click the match code to select a reversal reason.

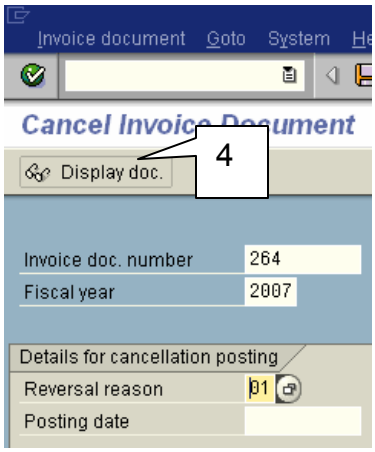


3. Double-click either 01 if the document was posted in the current accounting period, or 02 if posted in a different period than the one you're in.



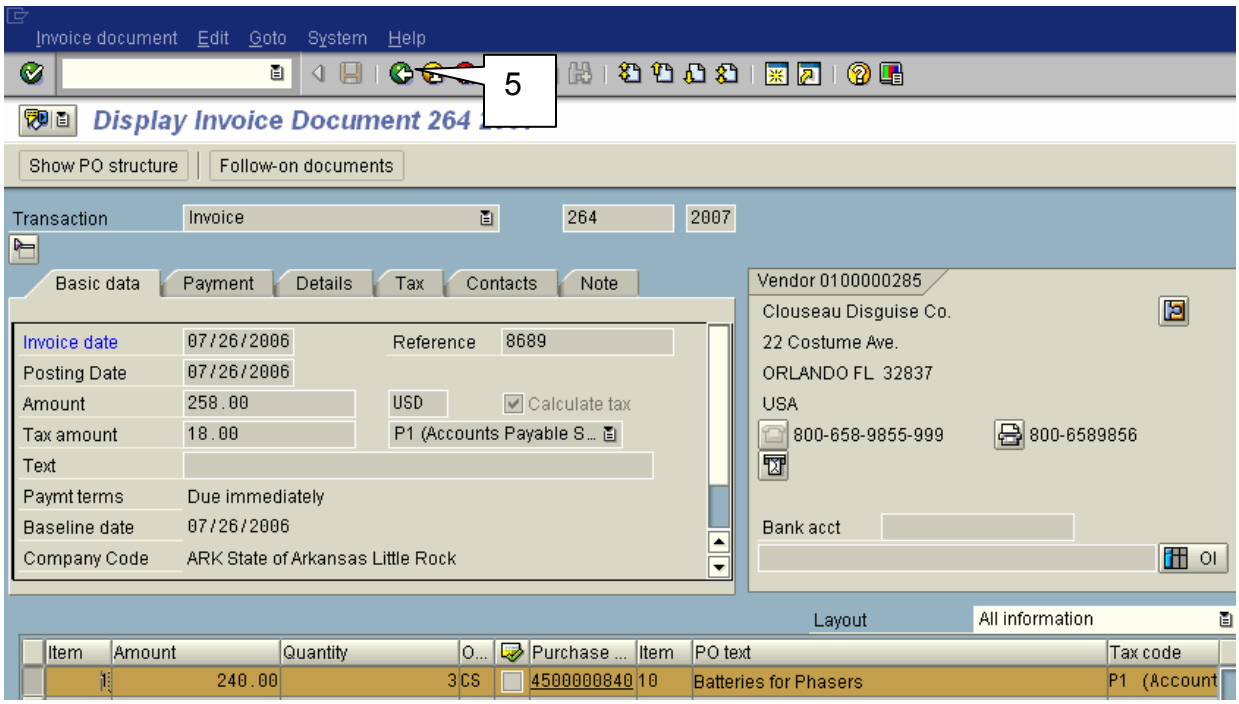
AASIS populates the reversal reason that you selected.

4. Click the Display doc button.

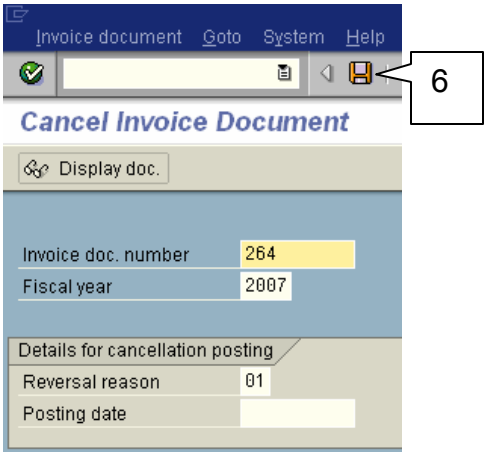


Make sure that this is the document that you want to reverse. Make note of the FI document number, the posting date, and the vendor number.

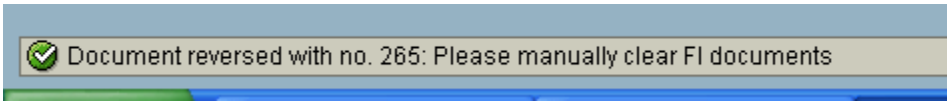
5. Click the back button to go back to the reversal screen.



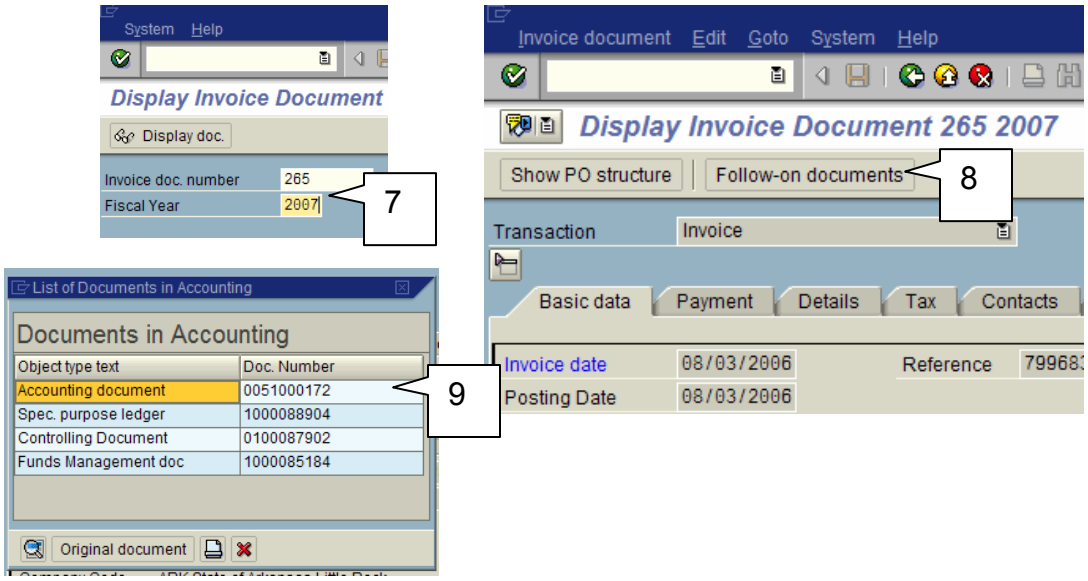
6. Click the save button to cancel the document.



AASIS returns a message with the document number of the reversal and a reminder to clear the FI documents. This means that you'll need to manually clear the vendor.



7. Display the reversal document in MIR4.
8. Click the follow-on documents.,
9. Make note of the FI document number.

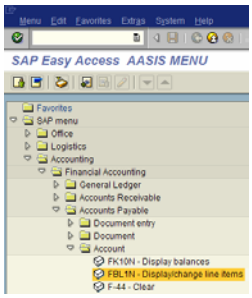


How Do I Clear the Vendor?

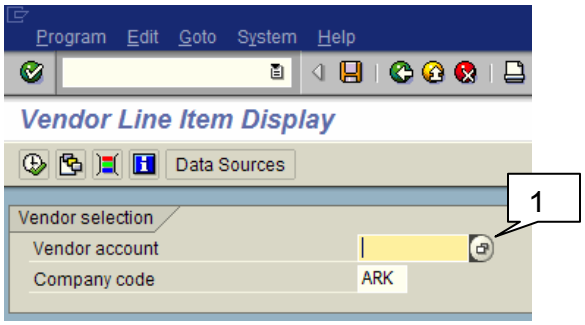
You can manually clear the vendor with transaction F-44. Directions for this transaction will follow after a brief discussion on displaying the vendor.

Transaction FBL1N

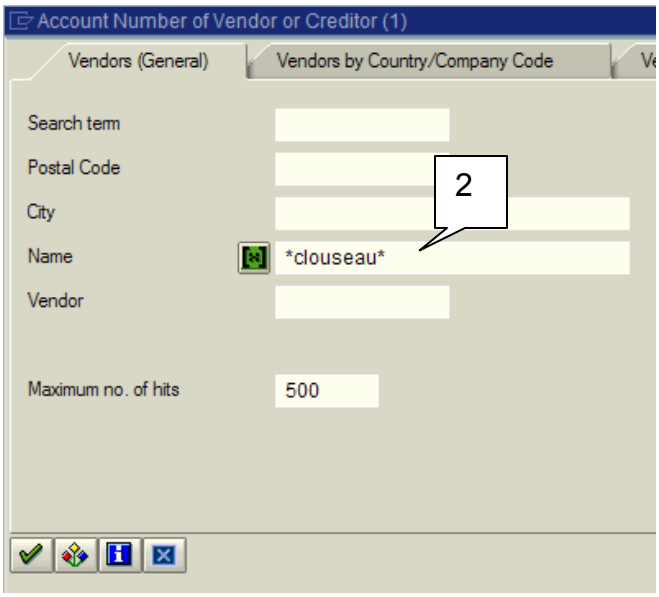
To display the vendor account, use transaction FBL1N.



1. Click the match code to search for the vendor number.

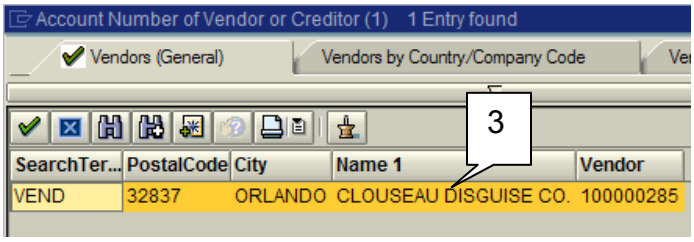


2. Type in part of the description, using asterisks as wild cards. Press the Enter key or click the green check.



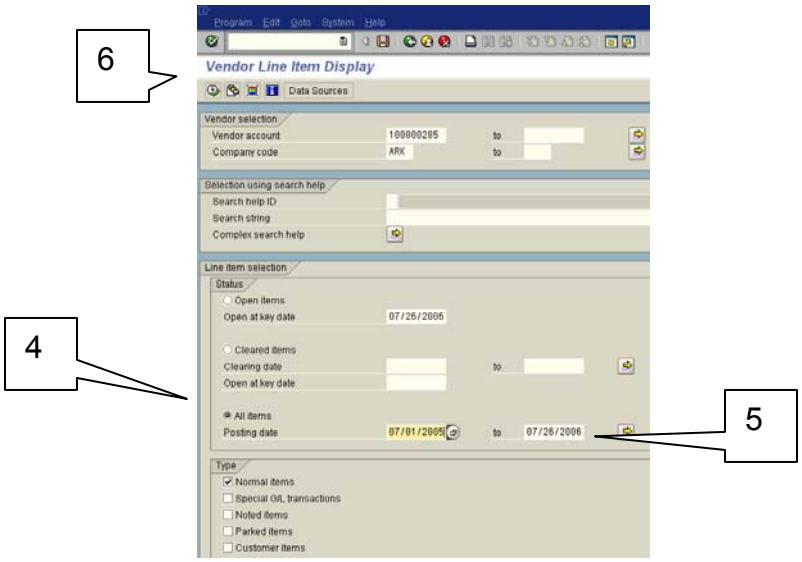
AASIS returns a list of vendors matching your specification.

3. Double-click to select the desired vendor from the list.

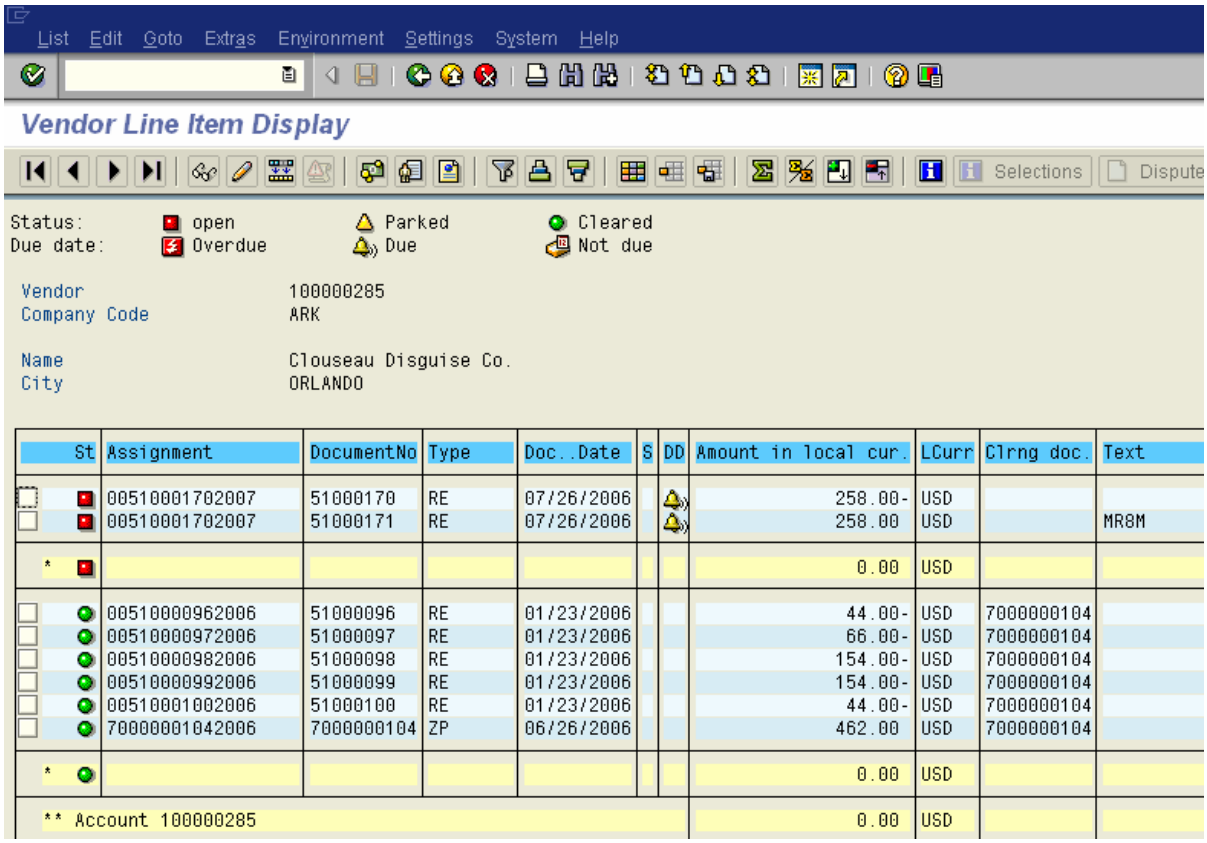


AASIS populates the vendor account.

4. Click the radio button to select open items, cleared items, or all items.
5. You must enter a date or date range.
6. Click the Execute button.



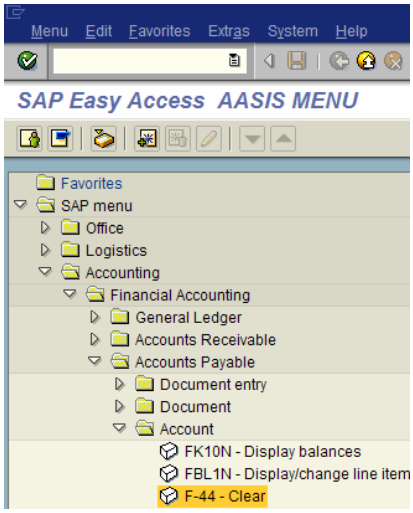
AASIS displays the selected vendor line items. Note the codes to indicate the status of each line item.



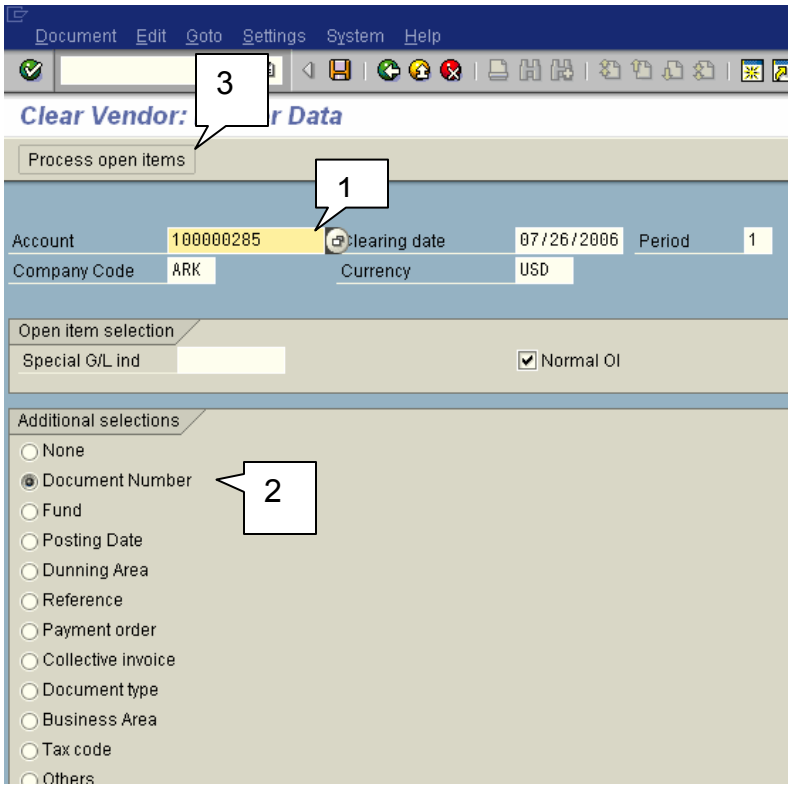
St	Assignment	DocumentNo	Type	Doc..Date	S	DD	Amount in local cur.	LCurr	Clrng doc.	Text
	00510001702007	51000170	RE	07/26/2006			258.00-	USD		
	00510001702007	51000171	RE	07/26/2006			258.00	USD		MR8M
*							0.00	USD		
	00510000962006	51000096	RE	01/23/2006			44.00-	USD	7000000104	
	00510000972006	51000097	RE	01/23/2006			66.00-	USD	7000000104	
	00510000982006	51000098	RE	01/23/2006			154.00-	USD	7000000104	
	00510000992006	51000099	RE	01/23/2006			154.00-	USD	7000000104	
	00510001002006	51000100	RE	01/23/2006			44.00-	USD	7000000104	
	70000001042006	7000000104	ZP	06/26/2006			462.00	USD	7000000104	
*							0.00	USD		
** Account 100000285							0.00	USD		

Transaction F-44

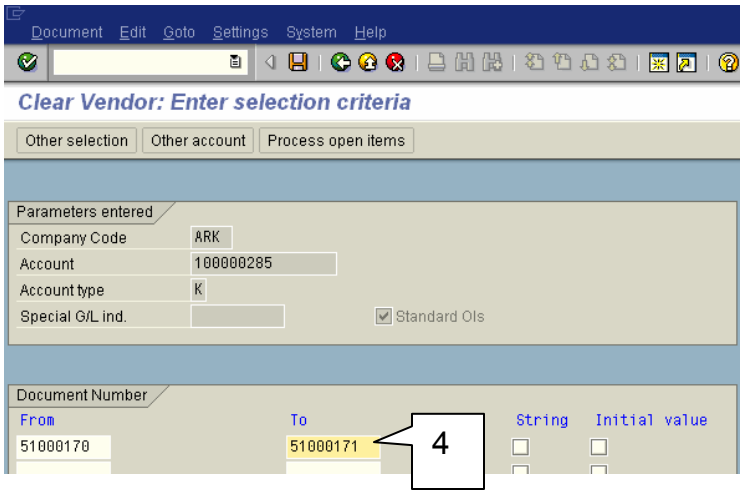
Use transaction F-44 to manually clear an open line item.



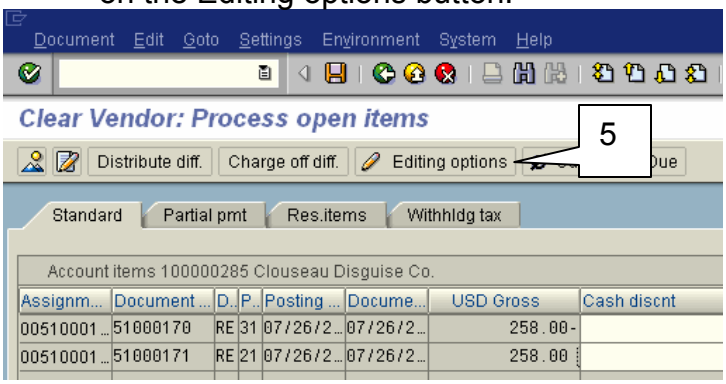
1. Enter the vendor number or use the match code to search.
2. Select document number if known, or at least business area to prevent canceling someone else's documents.
3. Click the Process open items button.



4. If you selected document number, enter the document number or range of accounting document numbers. If you selected business area, enter your business area.

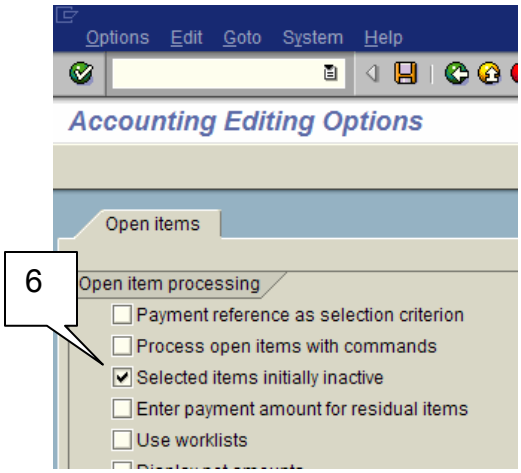


5. If you haven't set your options to "Selected items initially inactive", click on the Editing options button.



6. Click in the box for "Selected items initially inactive" and click the Save button.

Since all items for a particular vendor will appear in transaction F-44, selecting "all items initially inactive" lets you highlight only the items that you select for clearing.

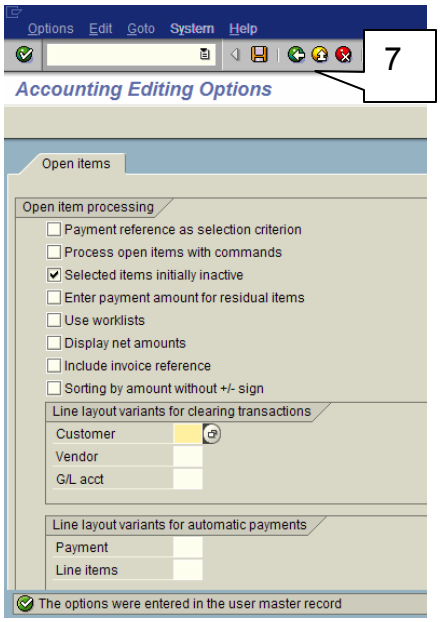


Once you have set your editing options, you'll need to exit the transaction and start the clearing process over.

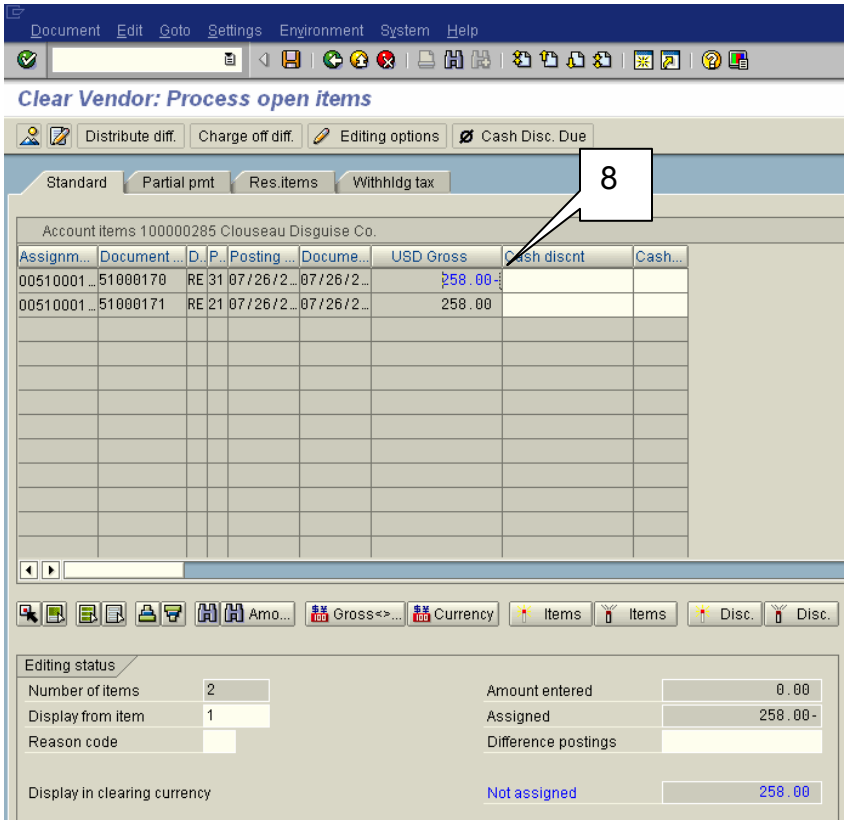
Note: You can also set your editing options in transaction FB00 Accounting Editing Options.

AASIS will return the message “the options were entered in the user master record”. This means that you need not repeat the editing options step from now on.

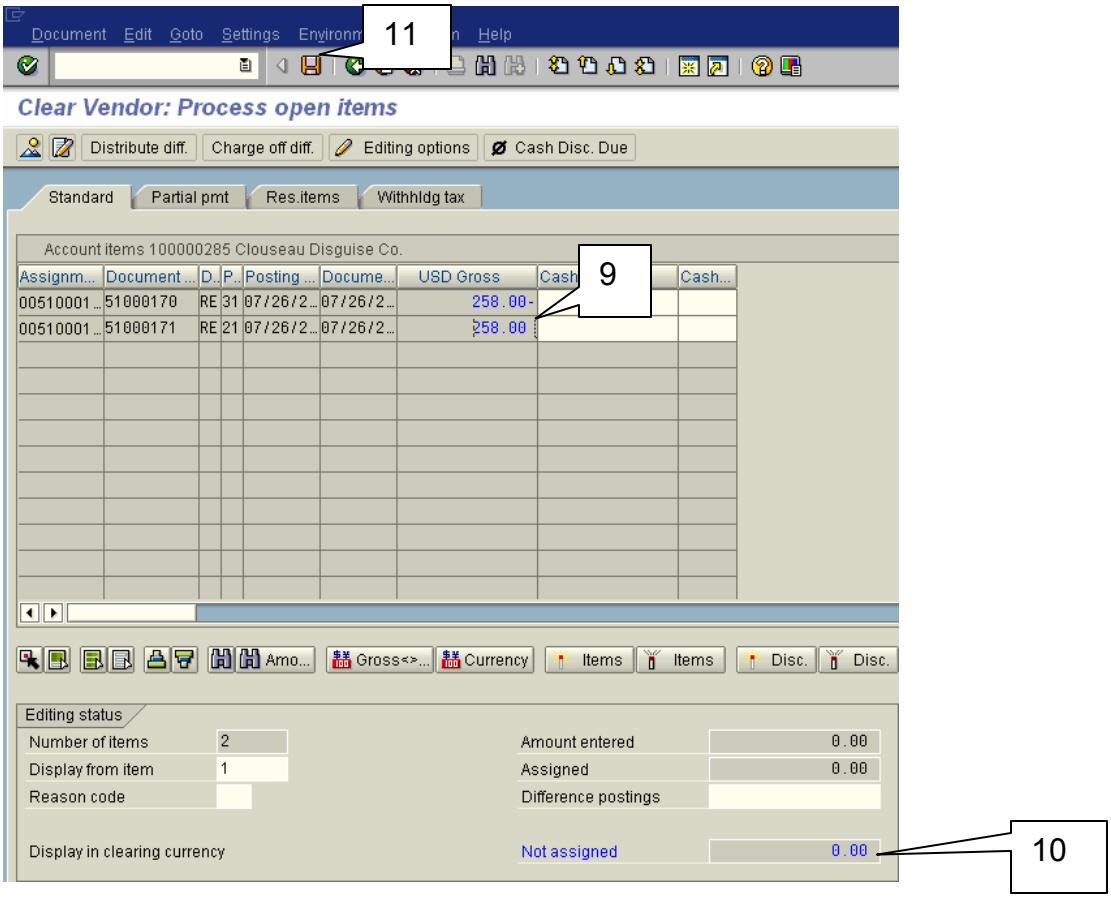
7. Click the back button to continue and re-enter the transaction.



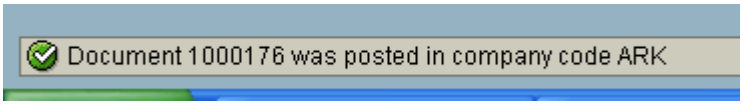
8. Double-click an item to select it. When selected, the “USD Gross” amount will turn blue.



9. To manually clear the item, a matching debit and credit amount must be selected.
10. The “not assigned” field should be zero.
11. Click the Save button.

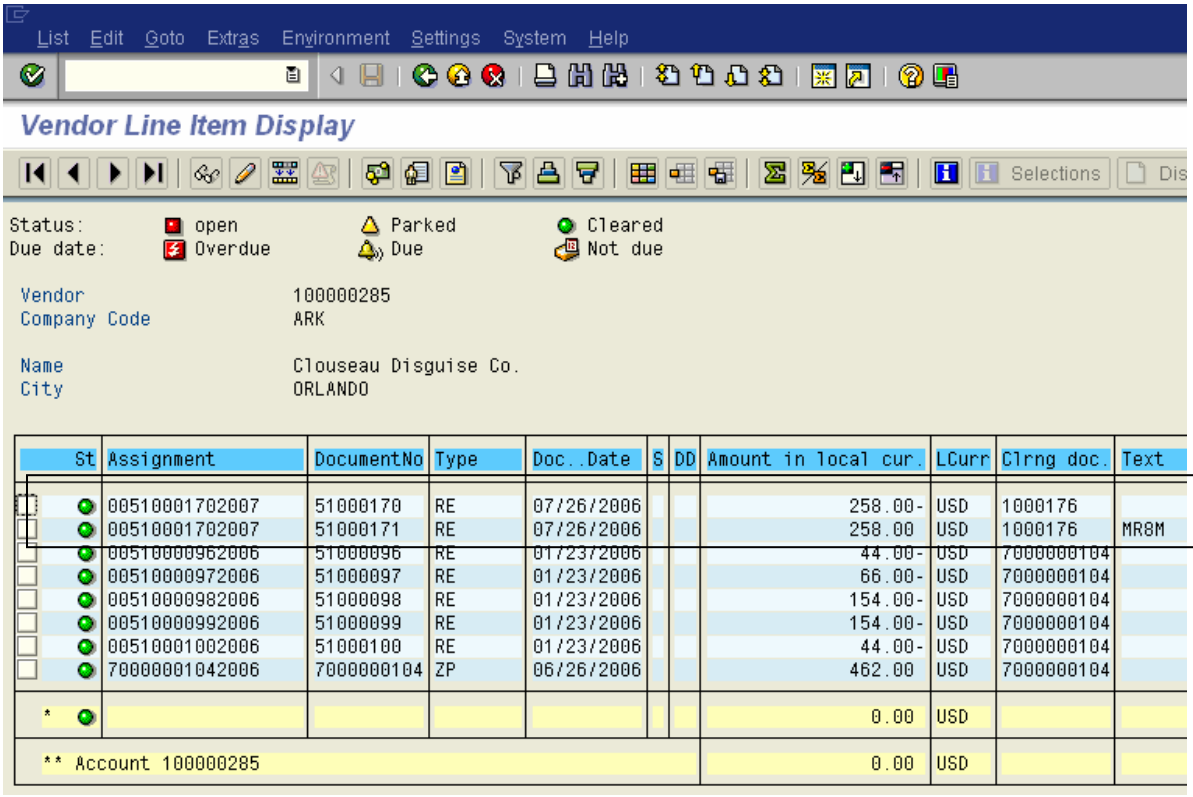


AASIS returns a document number.



View the vendor in transaction FBL1N again to make sure the line item was cleared.

The vendor line item report shows that the document was cleared.

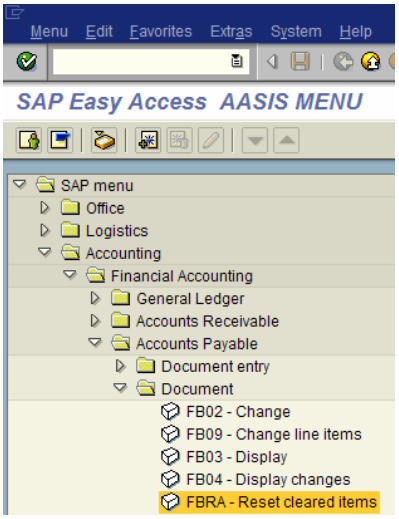


St	Assignment	DocumentNo	Type	Doc..Date	S	DD	Amount in local cur.	LCurr	Clrng doc.	Text
	00510001702007	51000170	RE	07/26/2006			258.00-	USD	1000176	
	00510001702007	51000171	RE	07/26/2006			258.00	USD	1000176	MR8M
	00510000962006	51000096	RE	01/23/2006			44.00-	USD	7000000104	
	00510000972006	51000097	RE	01/23/2006			66.00-	USD	7000000104	
	00510000982006	51000098	RE	01/23/2006			154.00-	USD	7000000104	
	00510000992006	51000099	RE	01/23/2006			154.00-	USD	7000000104	
	00510001002006	51000100	RE	01/23/2006			44.00-	USD	7000000104	
	70000001042006	7000000104	ZP	06/26/2006			462.00	USD	7000000104	
*							0.00	USD		
** Account 100000285							0.00	USD		

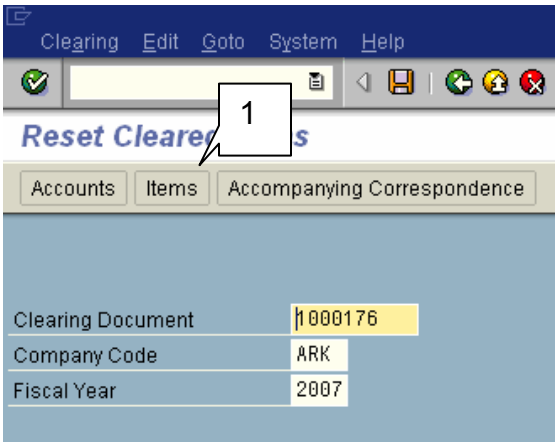
Change the layout selection to display the clearing document and make note of the clearing document number.

Can I Re-open the Cleared Item?

You can re-open the cleared item with transaction FBRA.



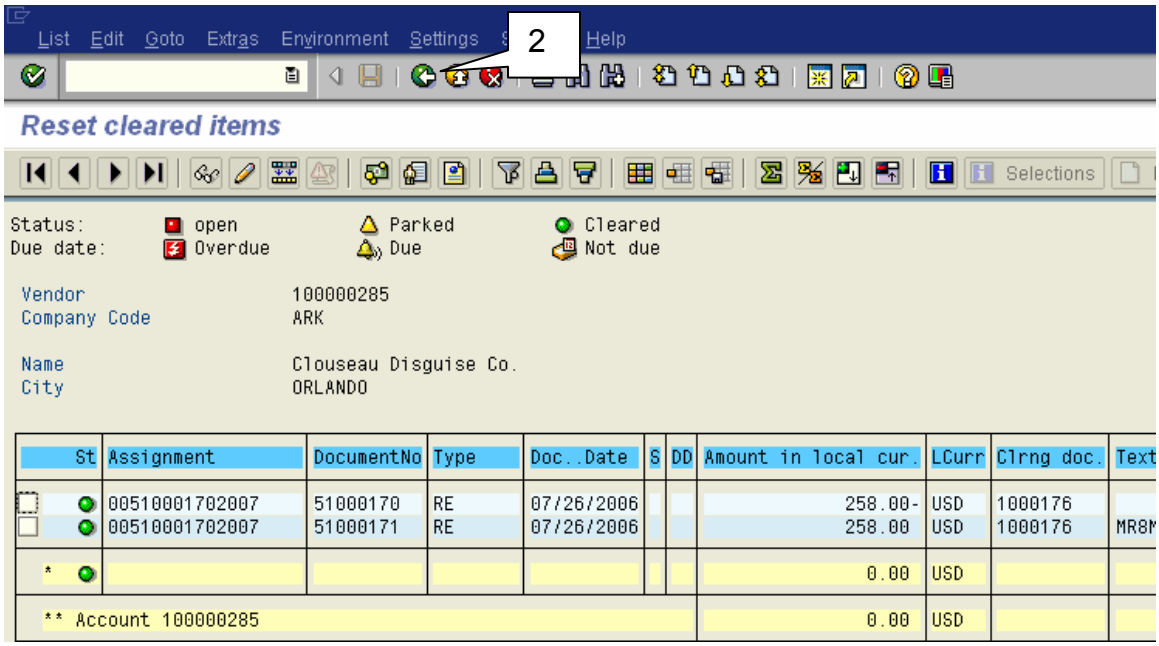
1. Enter the document number, company code ARK and the document fiscal year. Click the Items button.



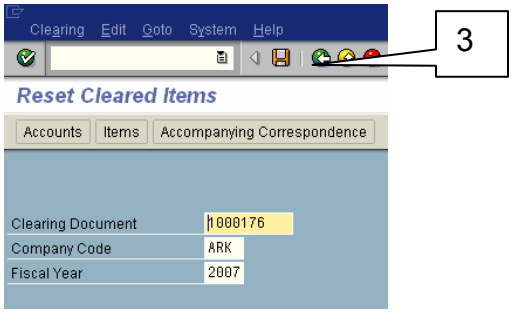
AASIS displays the document. Be sure that this is the correct document that you want to reverse.

Note: You may see a message: “document has no line items”. If that happens, you can view it in the Special Purpose Ledger.

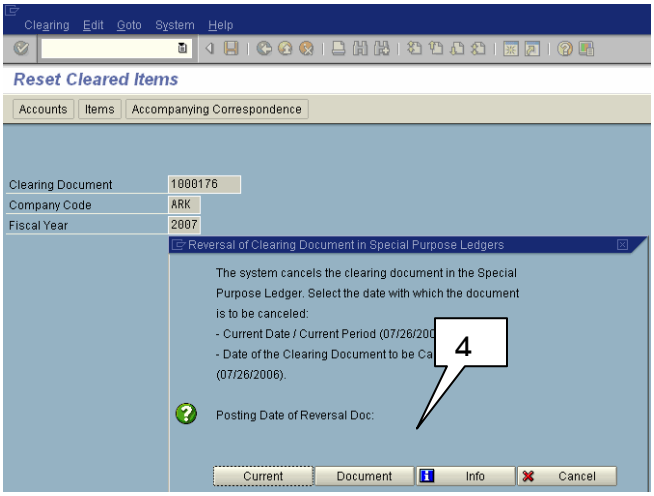
2. Click the Back button.



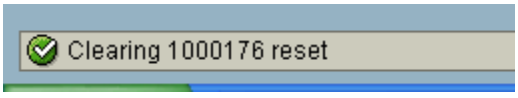
3. Click the Save button.



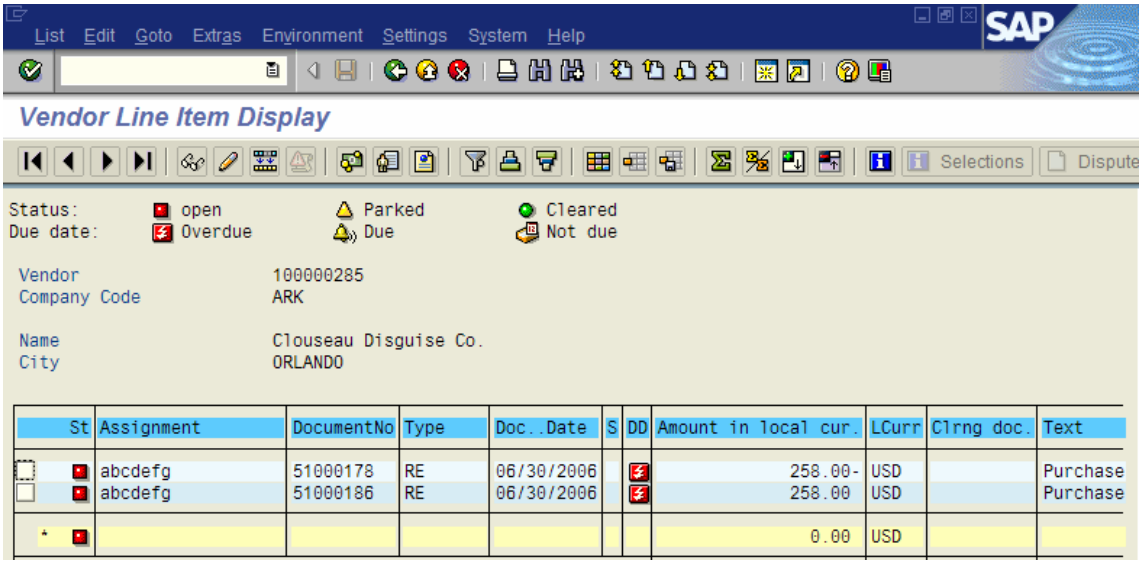
4. Click Current date.



AASIS returns a message that the clearing document was reset.



The FBL1N transaction reveals that the line is open once again.



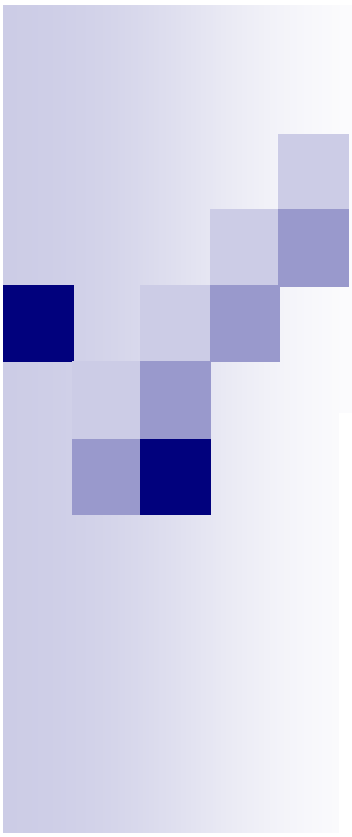
Exercise

Reverse your assigned invoice.

Display the vendor account with transaction FBL1N. Identify your reversed invoice in the open items.

Clear the vendor lines from your reversed invoice.

Display the vendor in FBL1N again and verify that the items were cleared.



Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 17
Held and Parked Documents

What Is a Held Document?

You may get an interruption as you are processing a MIRO transaction. At that point you can put the document on hold and come back and finish it later.

How Do I Hold a Logistics Invoice?

You are entering this invoice, hoping that you'll be able to get it posted before a scheduled meeting:

Clouseau Desguise Co.
22 Costume Ave.
Orlando, FL 32837

`INVOICE

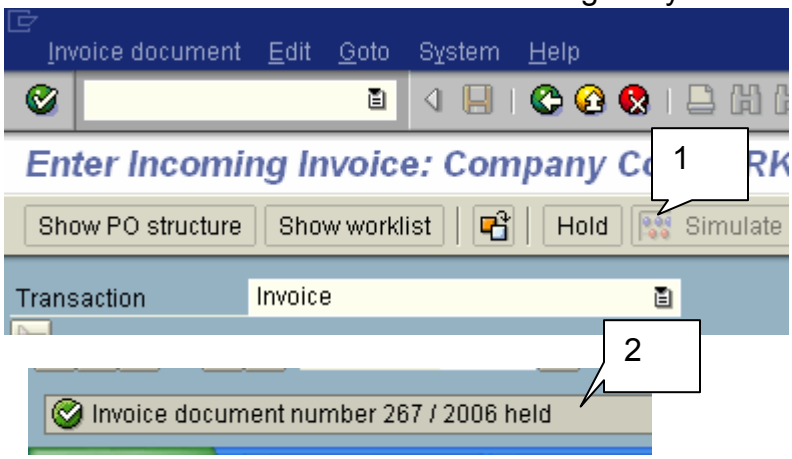
Invoice Number: 55
Your Purchase Order: 4500001022
Invoice Date: 8/30/2006

3 False Nose and Glasses sets @19.95 ea.....$59.85
Sales Tax.....4.49
Total.....$64.34

You filled out the basic data tab and clicked the hold button. AASIS will not let you put the document on hold until you put the business area on the detail tab. You fill out the required information and click hold.

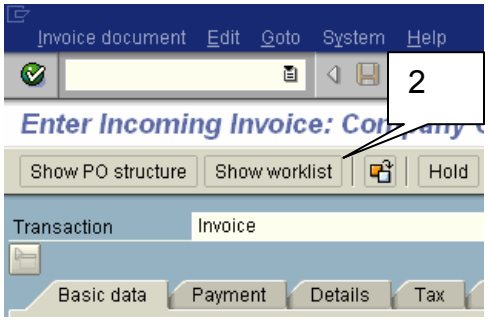
To hold a MIRO:

1. Click the Hold button at some time during the MIRO entry process.
2. Write down the number that AASIS gives you for a held document.

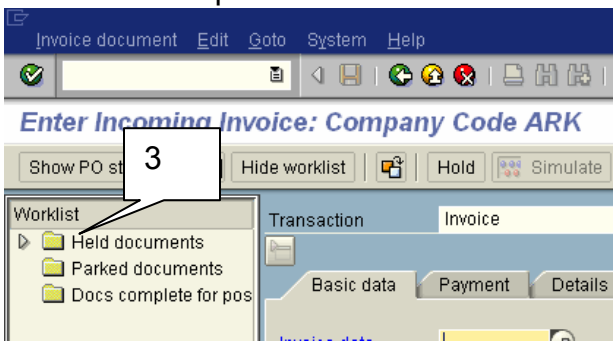


How Do I Retrieve a Held Document?

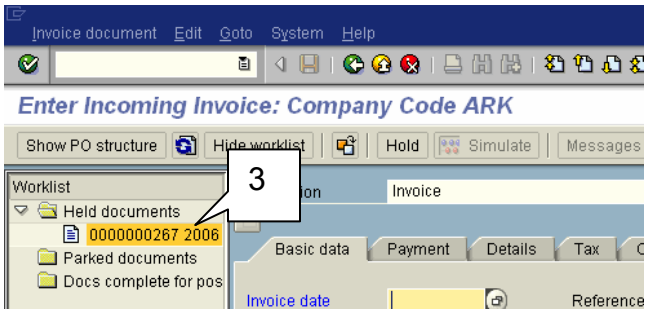
1. Enter transaction MIRO.
2. Click the Show Worklist button.



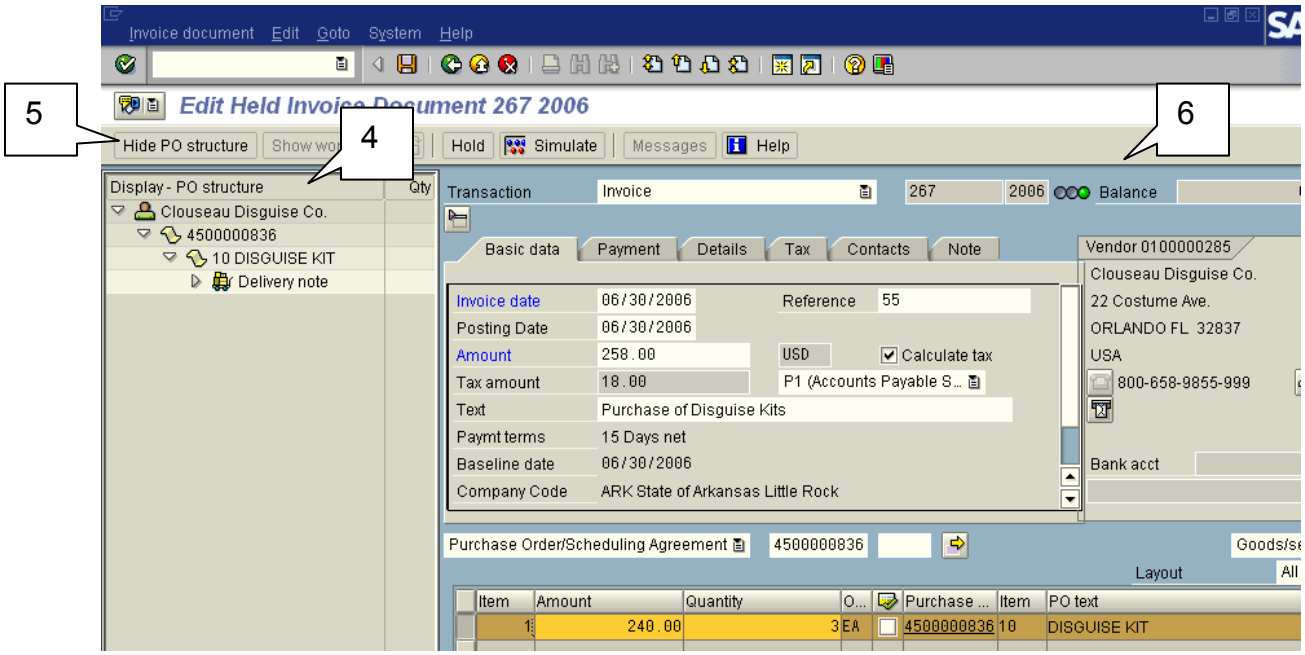
3. Click to Open the Held documents folder.



Double-click the number of the held document that you want to complete.



4. The worklist will change to a display of the PO structure and the held document will be copied into the MIRO.
5. You can click the button to hide the PO structure if desired.
6. Complete the MIRO and post as usual.



Exercise: Put your assigned invoice document on hold after entering the Business Area on the details tab. Go back to the MIRO transaction and post the document.

How Do I Park a Logistics Invoice?

Your agency has received this invoice for payment. The internal controls of the agency require that one person parks the invoice and another person posts it. (This is not a State of Arkansas requirement for Logistics invoicing.)

Junk Food Junkie's
10 Doughnut Loop
Little Rock, AR 72207

INVOICE

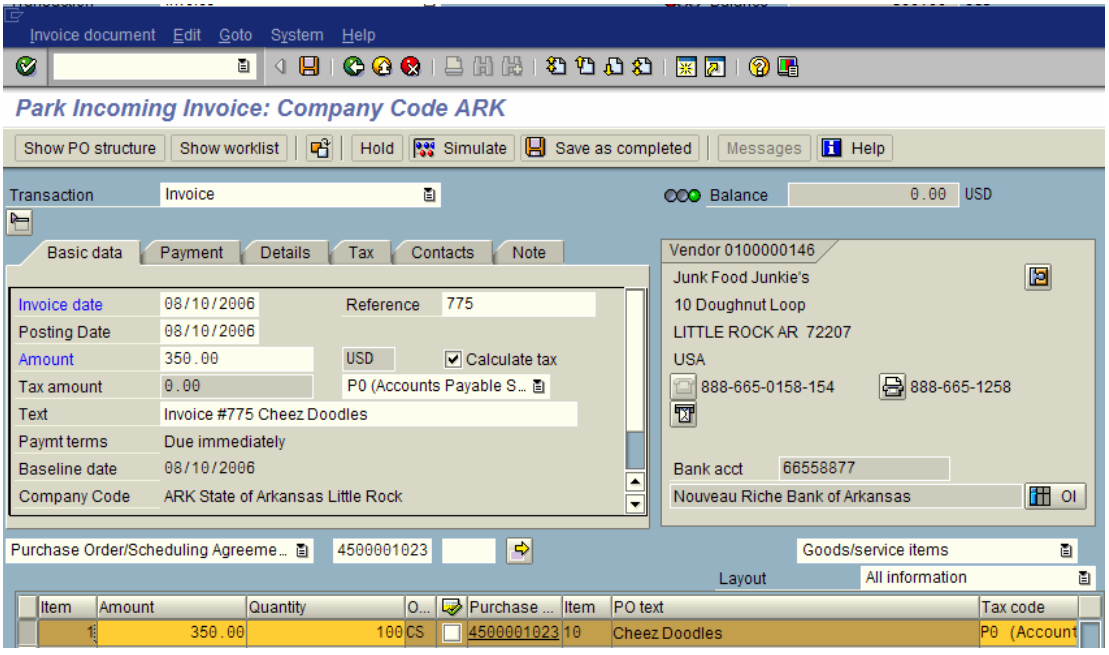
Invoice Number: 775
Your Purchase Order: 4500001023
Invoice Date: 8/23/2006

100 cases Cheez Doodles for Resale.....$350.00
Sales Tax.....0.00

Total.....$350.00

Use transaction MIR7 to park the invoice with the following steps:

Make entries to the fields as you would a MIRO, following the steps in chapter 5, 7, or 8 depending on the tax code.

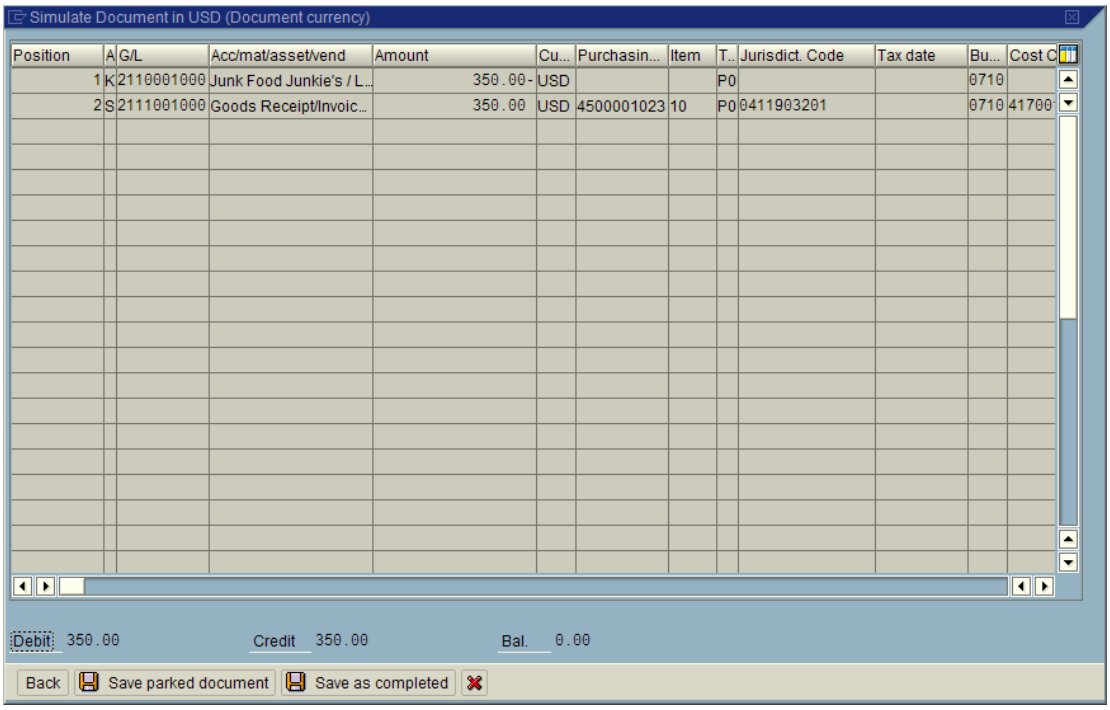


When you have completed your entries, click Simulate to view the document.

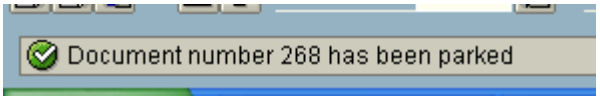
Click the Save parked document button to park the document.

Click Save as completed to change the budget commitment from purchase order to invoice, or to commit any additional budget from shipping costs, etc.

Note: If you save as completed, you must post the document in the same accounting period as you parked it.



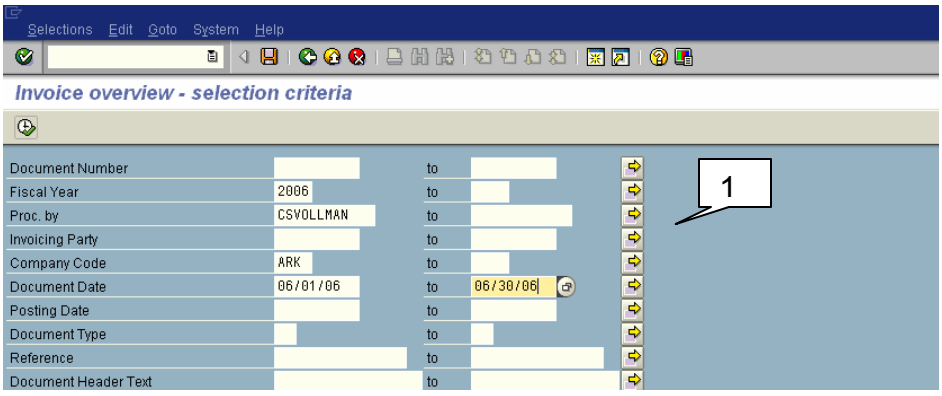
AASIS will return the parked document number.



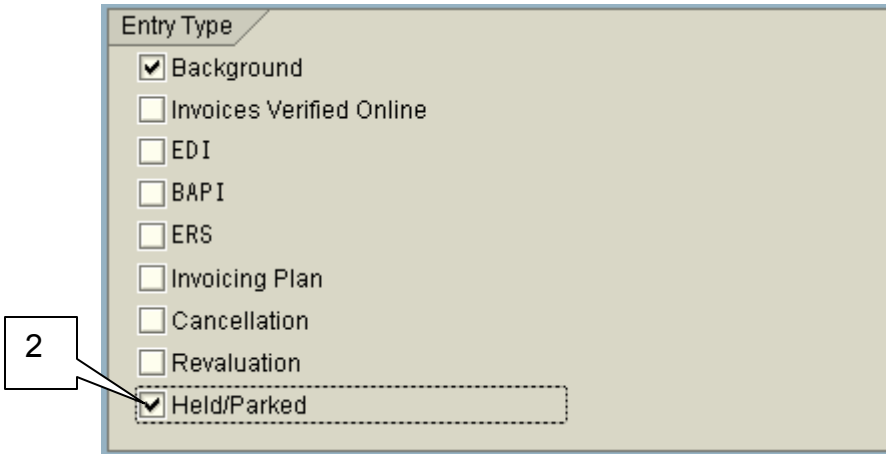
How Can I Search for Parked Documents?

Use the following steps in the MIR6 transaction:

1. Narrow down the selection by making entries in the top of the screen.

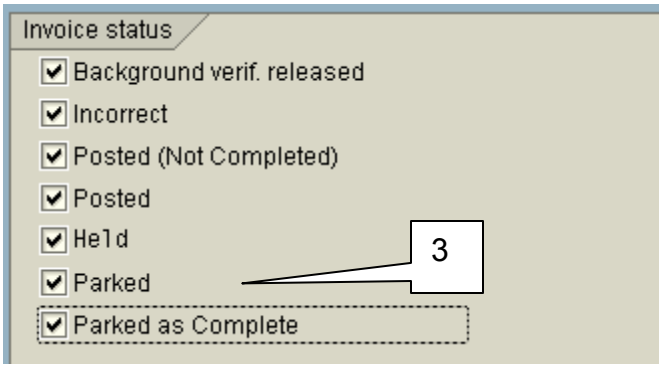


2. Click the Held/Parked box in the Entry Type field.

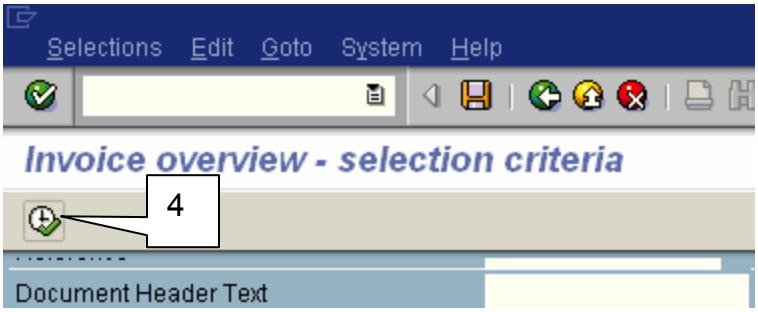


When you clicked the Held/Parked checkbox, the fields Held, Parked and Parked as Complete became available in the Invoice Status box.

3. Check these boxes as desired according to which type of document you want to view. You can check more than one box.

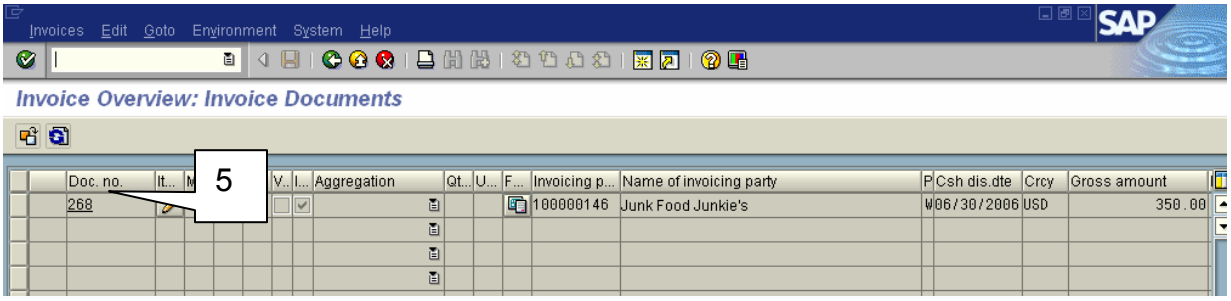


4. Click the Execute button.



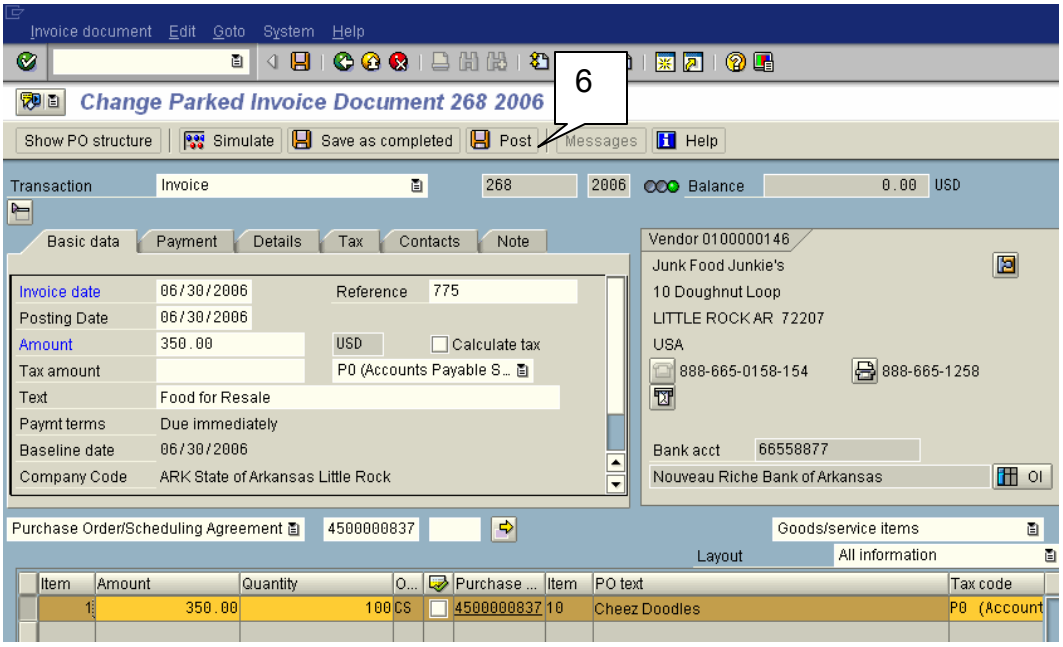
AASIS displays a list according to your specifications.

5. Double-click the document number to see more.

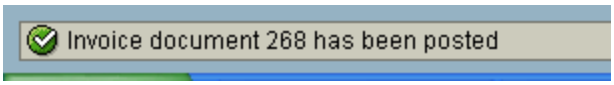


AASIS displays the document.

6. You can post the document from here by clicking on the Post button.

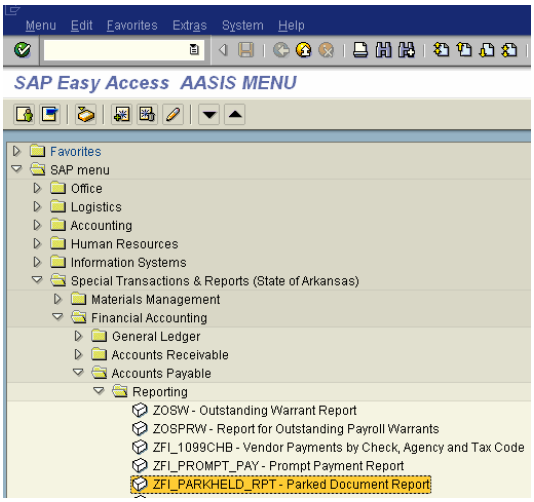


After posting the document, AASIS returns a document number. Note that this number is the same as the parked document number.



Another way to search for parked documents is to run the ZFI_PARKHELD_RPT transaction.

Program For Parked Vendor Invoices ZFI_PARKHELD_RPT

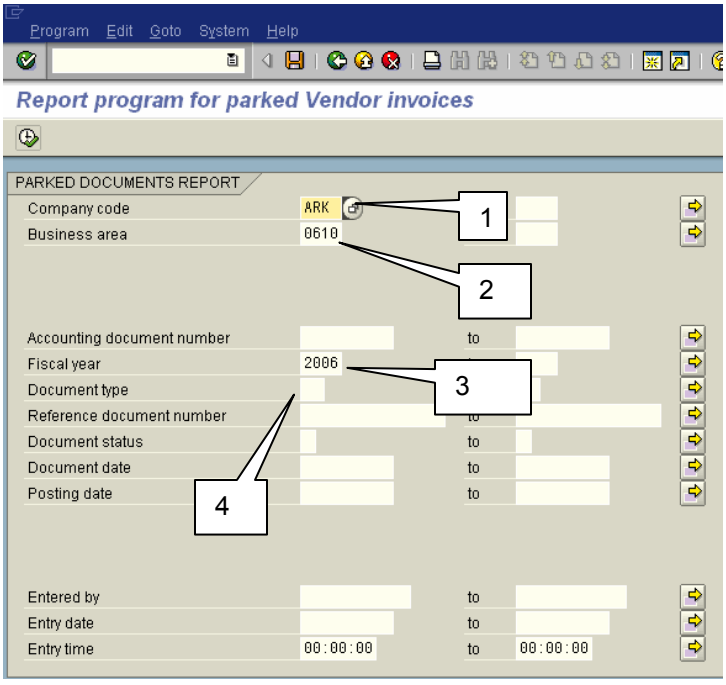


This report will display Parked Vendor Invoices.

Selecting the Report

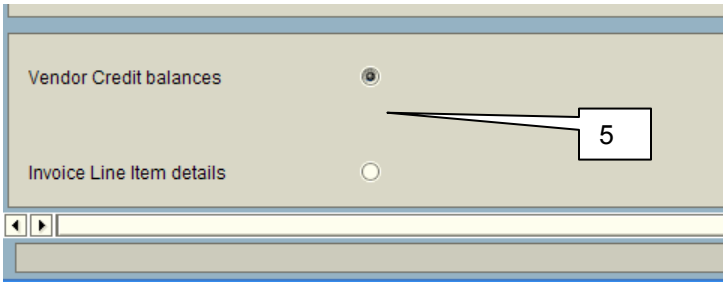
1. Narrow your search. In this example we entered “ARK” in the “Company code” field.
2. Enter your business area.
3. Enter the fiscal year.
4. Document types for invoices are KR for direct and RE for MIRO. Make an entry here or leave this field blank to bring up both types.

Scroll down to continue.



5. "Vendor Credit balances" will default. Leave as is.

Click the Execute button to continue.

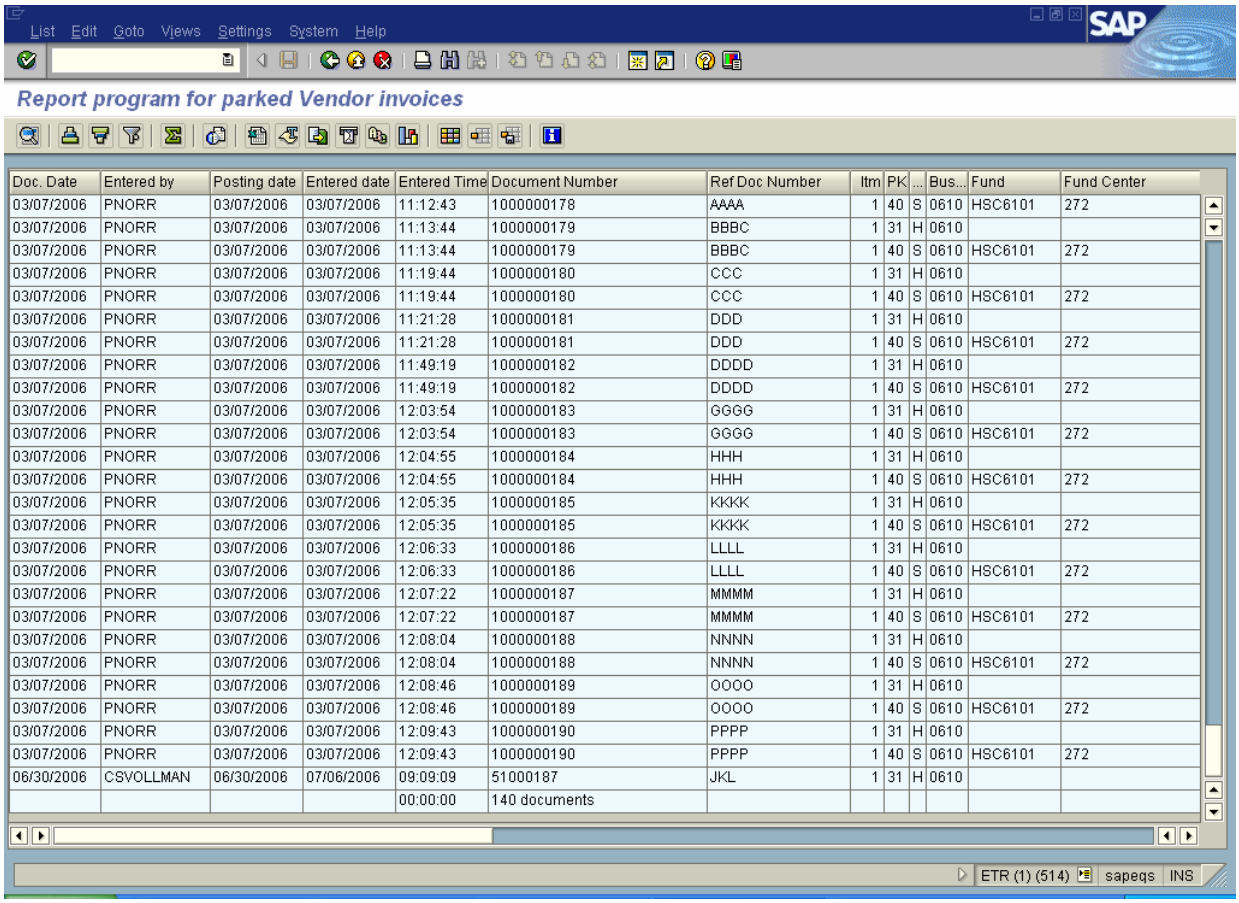


Viewing the Report

This example shows that there are parked documents. It shows the user name, date and time entered, document number, and Ref. Doc. Number. The posting key "31" = Credit to the vendor and the posting key "40" = Debit to the expense. "H" stands for credit and "S" stands for debit.

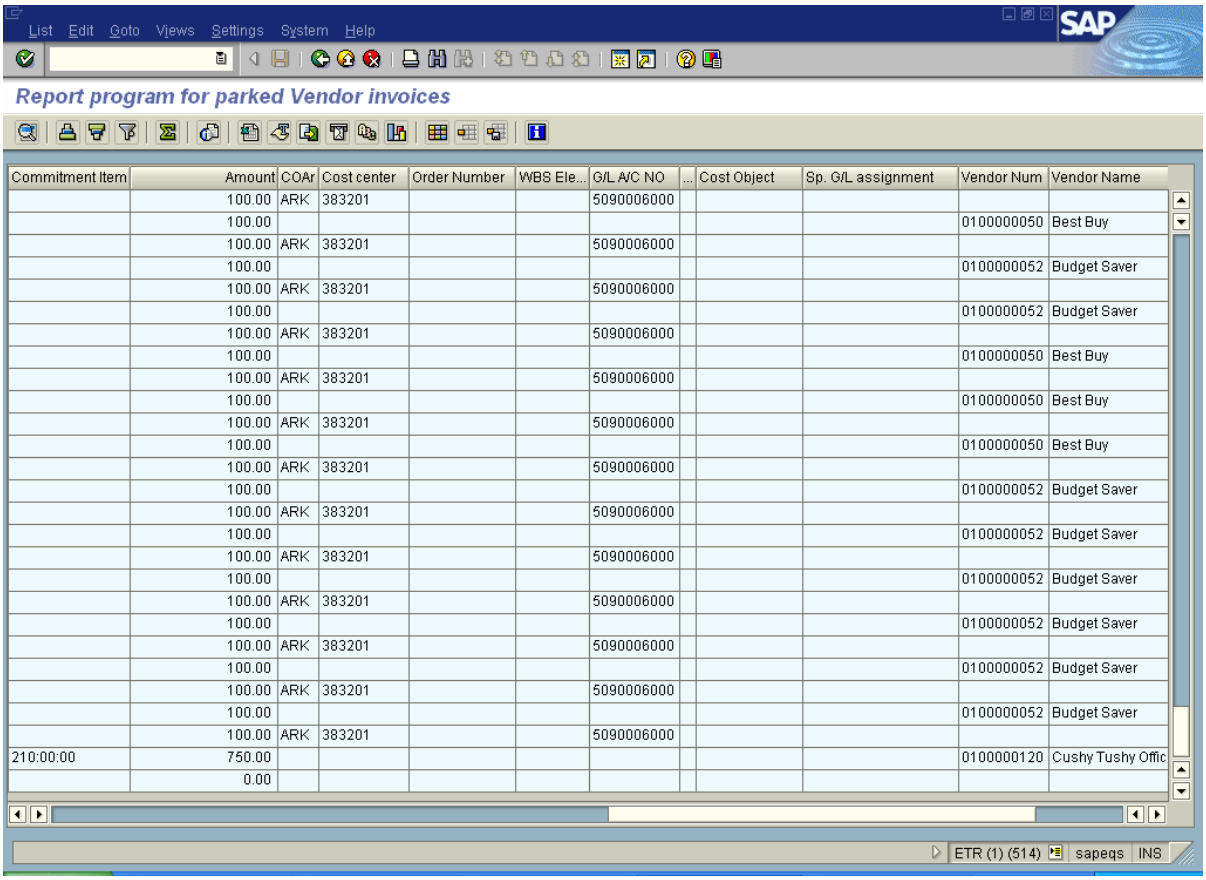
The business area, fund, and funds center are displayed.

Scroll to the right to continue.



Doc. Date	Entered by	Posting date	Entered date	Entered Time	Document Number	Ref Doc Number	Itm	PK	...	Bus...	Fund	Fund Center
03/07/2006	PNORR	03/07/2006	03/07/2006	11:12:43	1000000178	AAAA	1	40	S	0610	HSC6101	272
03/07/2006	PNORR	03/07/2006	03/07/2006	11:13:44	1000000179	BBBC	1	31	H	0610		
03/07/2006	PNORR	03/07/2006	03/07/2006	11:13:44	1000000179	BBBC	1	40	S	0610	HSC6101	272
03/07/2006	PNORR	03/07/2006	03/07/2006	11:19:44	1000000180	CCC	1	31	H	0610		
03/07/2006	PNORR	03/07/2006	03/07/2006	11:19:44	1000000180	CCC	1	40	S	0610	HSC6101	272
03/07/2006	PNORR	03/07/2006	03/07/2006	11:21:28	1000000181	DDD	1	31	H	0610		
03/07/2006	PNORR	03/07/2006	03/07/2006	11:21:28	1000000181	DDD	1	40	S	0610	HSC6101	272
03/07/2006	PNORR	03/07/2006	03/07/2006	11:49:19	1000000182	DDDD	1	31	H	0610		
03/07/2006	PNORR	03/07/2006	03/07/2006	11:49:19	1000000182	DDDD	1	40	S	0610	HSC6101	272
03/07/2006	PNORR	03/07/2006	03/07/2006	12:03:54	1000000183	GGGG	1	31	H	0610		
03/07/2006	PNORR	03/07/2006	03/07/2006	12:03:54	1000000183	GGGG	1	40	S	0610	HSC6101	272
03/07/2006	PNORR	03/07/2006	03/07/2006	12:04:55	1000000184	HHH	1	31	H	0610		
03/07/2006	PNORR	03/07/2006	03/07/2006	12:04:55	1000000184	HHH	1	40	S	0610	HSC6101	272
03/07/2006	PNORR	03/07/2006	03/07/2006	12:05:35	1000000185	KKKK	1	31	H	0610		
03/07/2006	PNORR	03/07/2006	03/07/2006	12:05:35	1000000185	KKKK	1	40	S	0610	HSC6101	272
03/07/2006	PNORR	03/07/2006	03/07/2006	12:06:33	1000000186	LLLL	1	31	H	0610		
03/07/2006	PNORR	03/07/2006	03/07/2006	12:06:33	1000000186	LLLL	1	40	S	0610	HSC6101	272
03/07/2006	PNORR	03/07/2006	03/07/2006	12:07:22	1000000187	MMMM	1	31	H	0610		
03/07/2006	PNORR	03/07/2006	03/07/2006	12:07:22	1000000187	MMMM	1	40	S	0610	HSC6101	272
03/07/2006	PNORR	03/07/2006	03/07/2006	12:08:04	1000000188	NNNN	1	31	H	0610		
03/07/2006	PNORR	03/07/2006	03/07/2006	12:08:04	1000000188	NNNN	1	40	S	0610	HSC6101	272
03/07/2006	PNORR	03/07/2006	03/07/2006	12:08:46	1000000189	OOOO	1	31	H	0610		
03/07/2006	PNORR	03/07/2006	03/07/2006	12:08:46	1000000189	OOOO	1	40	S	0610	HSC6101	272
03/07/2006	PNORR	03/07/2006	03/07/2006	12:09:43	1000000190	PPPP	1	31	H	0610		
03/07/2006	PNORR	03/07/2006	03/07/2006	12:09:43	1000000190	PPPP	1	40	S	0610	HSC6101	272
06/30/2006	CSVOLLMAN	06/30/2006	07/06/2006	09:09:09	51000187	JKL	1	31	H	0610		
				00:00:00	140 documents							

You can view the amount, cost center, Internal Order or WBS element number, Sp. G/L assignment, vendor number and vendor name.

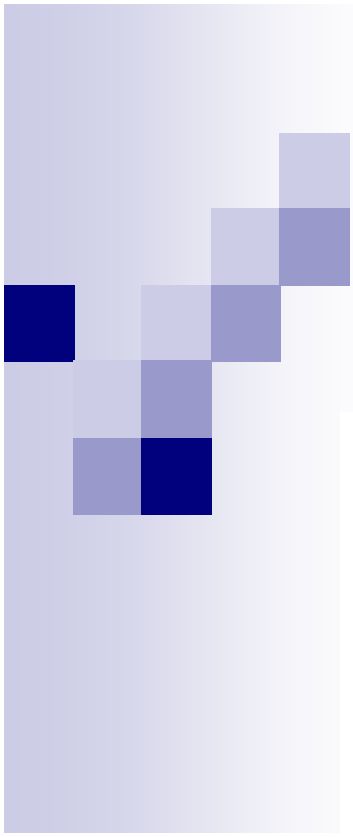


Commitment Item	Amount	COAr	Cost center	Order Number	WBS Ele...	G/L A/C NO	...	Cost Object	Sp. G/L assignment	Vendor Num	Vendor Name
	100.00	ARK	383201			5090006000					
	100.00									0100000050	Best Buy
	100.00	ARK	383201			5090006000					
	100.00									0100000052	Budget Saver
	100.00	ARK	383201			5090006000					
	100.00									0100000052	Budget Saver
	100.00	ARK	383201			5090006000					
	100.00									0100000050	Best Buy
	100.00	ARK	383201			5090006000					
	100.00									0100000050	Best Buy
	100.00	ARK	383201			5090006000					
	100.00									0100000050	Best Buy
	100.00	ARK	383201			5090006000					
	100.00									0100000052	Budget Saver
	100.00	ARK	383201			5090006000					
	100.00									0100000052	Budget Saver
	100.00	ARK	383201			5090006000					
	100.00									0100000052	Budget Saver
	100.00	ARK	383201			5090006000					
	100.00									0100000052	Budget Saver
	100.00	ARK	383201			5090006000					
	100.00									0100000052	Budget Saver
	100.00	ARK	383201			5090006000					
	100.00									0100000052	Budget Saver
	100.00	ARK	383201			5090006000					
210:00:00	750.00									0100000120	Cushy Tushy Offic
	0.00										

Exercise

Park a document for the assigned parked document invoice.

Find your document and post it.



Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 18
Credit Memos and Subsequent Debits and Credits

What Is a Credit Memo?

A credit memo is a document received from a vendor giving you credit for goods returned. Note that the Credit Memo affects both **quantity** and **value**. If you post a credit memo, you will need to cancel or return delivery on the corresponding goods receipt to insure that the GR/IR and the expense or asset values post correctly.

If you only want to change the amount paid to a vendor—you do not want to affect the quantity of goods received—do not post a credit memo. See the subsequent debit and credit sections.

If you receive money instead of credit from the vendor—do not post a credit memo. Treat this as a refund to expenditures.

What Is the Effect of a Credit Memo?

Posting a credit memo affects financial reports, budget, and cash available for future expenditures or transfers.

- The credit memo posts as a credit (reduction) to expense, which decreases expenses on the financial reports; if the item is a Fixed Asset, the value of the asset is reduced.

- The credit to expense/Fixed Asset value posts as a reduction in commitments in FM, which increases budget available for other transactions.

- The credit memo also posts a debit to the vendor account, which decreases liabilities on the financial reports.

- The credit memo reduces a future payment to the vendor, which leaves the cash available to be used for other transactions.

The process is not complete unless the expense/Fixed Asset value and liabilities have been reduced; the budget has been reinstated; and a future payment to the vendor has been reduced. It is important to have all of these events occur or the expenses, budget and cash will not reconcile properly for cash basis reporting.

How Do I Enter a Credit Memo for an Expense?

If the credit memo is for an invoice originally entered by direct payment, you'll use transaction FB65, covered in the Accounts Payable Direct Invoicing Course. Use transaction MIRO to enter a credit memo against a purchase order.

Credit memos should be posted using transaction MIRO IF:

1. The original invoice for the goods or services **was** associated with a Purchase Order.

2. You have received a credit from the vendor and need to reduce a future payment.

3. Some or all of the goods received are being returned to the vendor.

Before Beginning the Credit Memo Process

Before you enter a credit memo, you must make sure that you have an invoice in the system to offset the credit memo against.

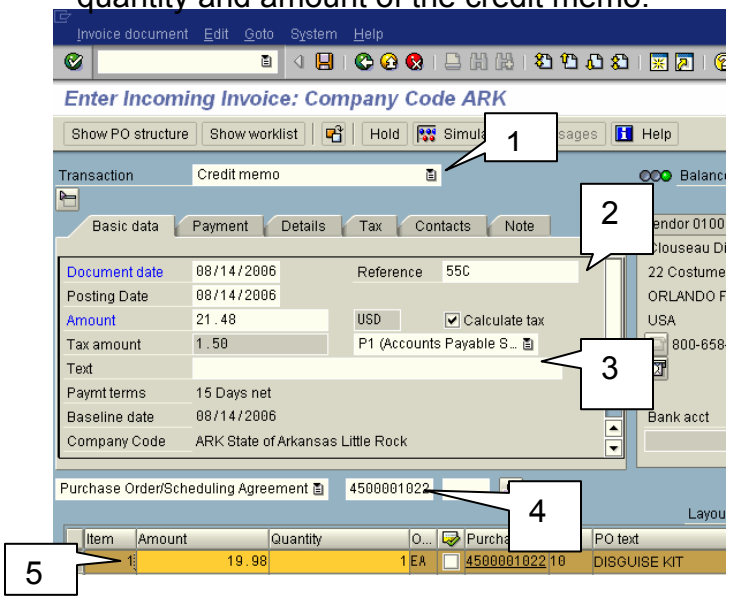
In order to post a Credit Memo with MIRO, there must already exist at least one open vendor invoice - **posted**, but **not yet paid** - to the same Vendor, Fund, Funds Center, Commitment Item and Functional Area as the credit memo; the dollar amount of the existing invoice(s) must be equal to or greater than the dollar amount of the credit memo, by budget quad combination. The GL account need not be the same on both documents, but the commitment item must match.

The user must populate the Invoice Reference field with the document number of an appropriate open vendor invoice - **posted**, but **not yet paid** - parked documents will not work. The unpaid invoice can be either a Direct Pay invoice or a Logistics (MIRO) invoice as long as the invoice matches the credit memo on Vendor, Fund, Funds Center, Commitment Item and Functional Area. If there are no open invoices matching the credit memo, or if the dollar amount of the invoice(s) do not meet or exceed the dollar amount of the credit memo, the credit memo will not post and users will receive the following error message:
"Insufficient open items to same Fund/Funds Center/Commitment Item to offset credit memo."

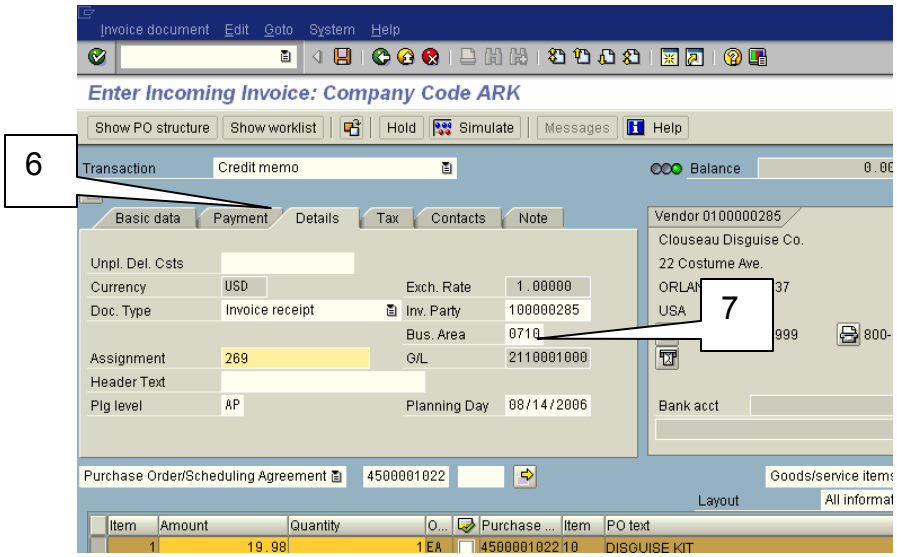
Several reports exist in AASIS to help you locate an outstanding invoice. FBL1N selected for the vendor displays open items for that vendor. If an open invoice is not available, you may be able to locate an open goods receipt which hasn't yet had an invoice entered with transaction ZPO_OPEN_INV.

Entering the Credit Memo

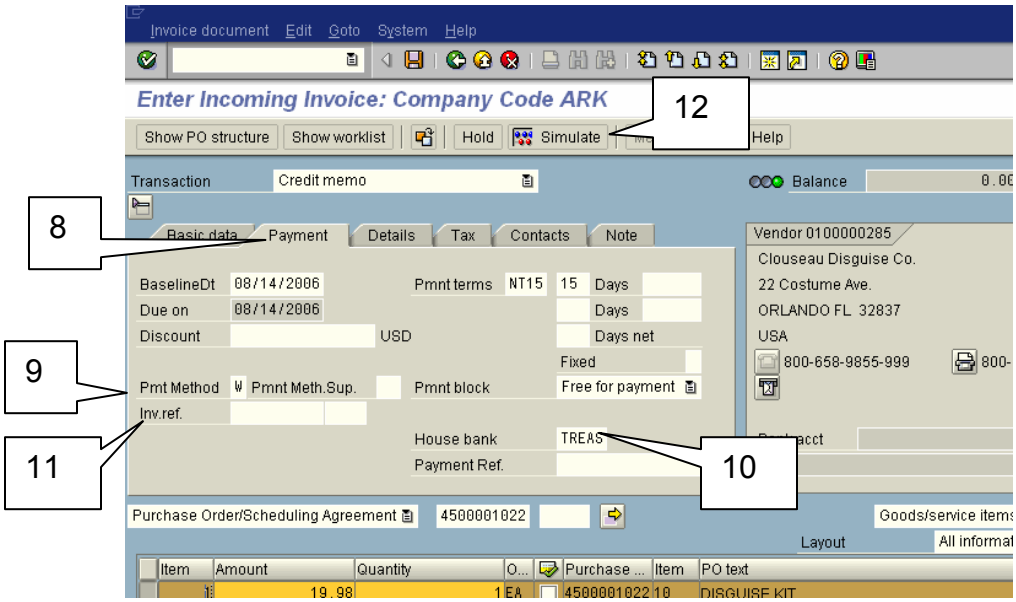
1. Change the transaction field to credit memo.
2. Enter a document date, reference number, and amount.
3. The tax code must match the code on the original invoice and purchase order.
4. Enter the purchase order number for which the credit memo is being entered. This should be the original purchase order unless the purchase order is from a prior fiscal year and was not carried forward. The function of this field is to populate the line items from the original PO that had the goods returned. Referencing the PO will populate the Vendor, expense or asset account, Fund, Funds Center, Commitment Item and other information from the original PO. The user selects the line items and verifies the quantities on the PO that will be reduced by the credit memo.
5. Make changes to the quantity and amount as needed to reflect the quantity and amount of the credit memo.



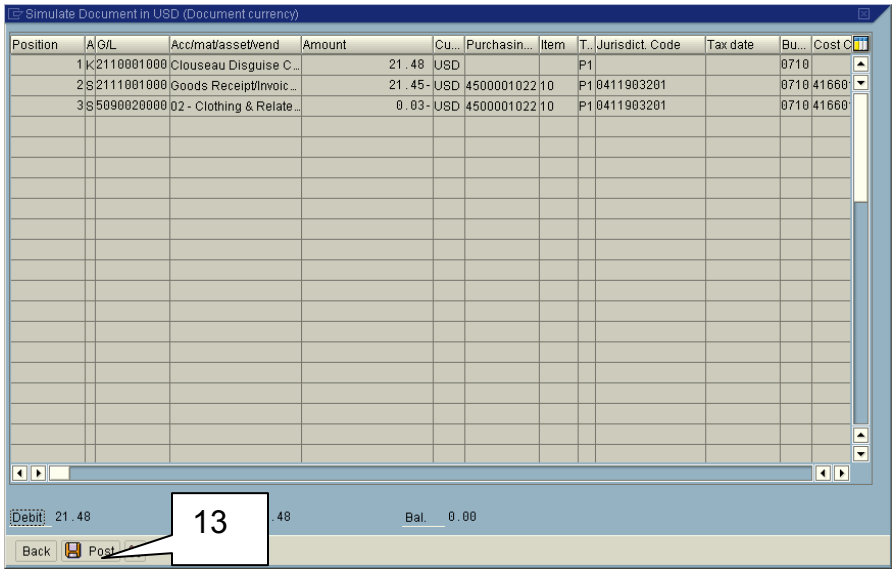
6. Click the Details tab.
7. Enter the business area and assignment number.



8. Click the Payment tab.
9. Enter the payment method.
10. Enter the house bank code.
11. In the Invoice reference field, enter the number of an open invoice for the vendor from the same fund, funds center, and commitment item combination.
12. Click Simulate to view the posting.



13. View the posting. When you are satisfied that the posting is correct, click the Post button.



More Notes on Credit Memos

The Invoice Reference is necessary to ensure that the credit memo has the same baseline date and payment terms as the unpaid invoice. This will ensure that the credit memo and invoice net against each other in the same payment run and properly reduce the payment to the vendor. If the credit memo and invoice do not have the same payment terms and baseline date, they will be considered in different payment runs and will not net properly.

Finally, if there are multiple open invoices that match the credit memo vendor and budget quad fields, the credit memo will not clear in the payment run if it does not properly reference one of the invoices; AASIS will not choose which invoice to net the credit memo against and will leave it open, which means the vendor will be overpaid.

The invoice number in the **Invoice Reference** field, if it is a MIRO invoice, might be associated with a different PO than the one referenced in the **Purchase Order/Scheduling Agreement** field. The POs can be different because these fields serve different purposes in the credit memo.

The function of the **Invoice Reference** is to set the Payment Terms and Baseline Date on the credit memo, and to determine an invoice to clear against in the event there are several available in the designated payment run.

The function of the **Purchase Order/Scheduling Agreement** field is to populate the line items and vendor information in the credit memo.

One other field that must match in order for the credit memo to clear properly in the payment run is the Payment Method. If the invoice Payment Method is W (Warrant) and the credit memo Payment Method is A (ACH), the two cannot net in the payment program. Payment Method fields that do not match will not prevent a user from posting a credit memo, but it will prevent proper clearing.

YOUR AGENCY MUST FOLLOW A CREDIT MEMO WITH A RETURN DELIVERY OR GOODS RECEIPT CANCELLATION TO REDUCE THE QUANTITY RECEIVED.

What If We Don't Have an Invoice that Matches the Credit Memo?

If you cannot post a credit memo, either because there are insufficient open items or because an asset from a prior fiscal year is involved, request a refund from the vendor. The refund check should be deposited as a Refund to Expenditure and the rest of the Refund to Expenditure process followed to adjust the appropriate expenses. If the Refund to Expenditure is for an asset, you should verify that the asset balance has been properly adjusted after all documents are posted. Credit memos for assets will be covered in detail later in this course.

What If I Need to Reverse the Credit Memo?

MIRO credit memos should be reversed if there is an error on the document and the whole thing needs to be re-entered. Use transaction MR8M for reversals, but be aware that the document description is still "Credit Memo".

Exercise 1: Find an open invoice to offset your credit memo and enter the assigned credit memo for an expense.

When Do I Use Subsequent Credit?

Subsequent Credits should be posted using transaction MIRO IF:

1. The original invoice for the goods or services **was** associated with a Purchase Order.
2. You have received a credit from the vendor and need to reduce a future payment. (If you receive a refund check from the vendor, process the reimbursement as a Refund to Expenditure rather than a subsequent credit.)
3. There should be **no change** to the quantity received and/or quantity invoiced.

In order to post a subsequent credit with MIRO, there must already exist at least one open vendor invoice - **posted**, but **not yet paid** - to the same Vendor, Fund, Funds Center, Commitment Item and Functional Area as the subsequent credit; the dollar amount of the existing invoice(s) must be equal to or greater than the dollar amount of the subsequent credit, by budget quad combination. The GL account need not be the same on both documents, but the commitment item must match.

How Do I Enter a Subsequent Credit for an Expense?

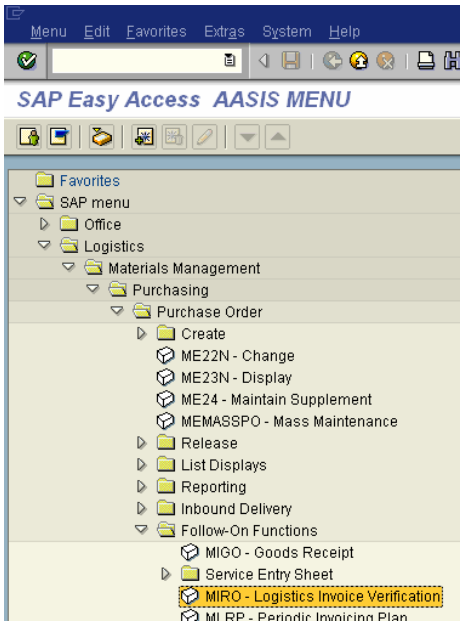
Before beginning the MIRO process, locate an invoice to use to offset the credit.

You must populate the Invoice Reference field with the document number of an appropriate open vendor invoice - **posted**, but **not yet paid** - parked documents will not work. The unpaid invoice can be either a Direct Pay invoice or a Logistics (MIRO) invoice as long as the invoice matches the subsequent credit on Vendor, Fund, Funds Center, Commitment Item and Functional Area. If there are no open invoices matching the subsequent credit, or if the dollar amount of the invoice(s) do not meet or exceed the dollar amount of the subsequent credit, it will not post and you will receive the following error message:

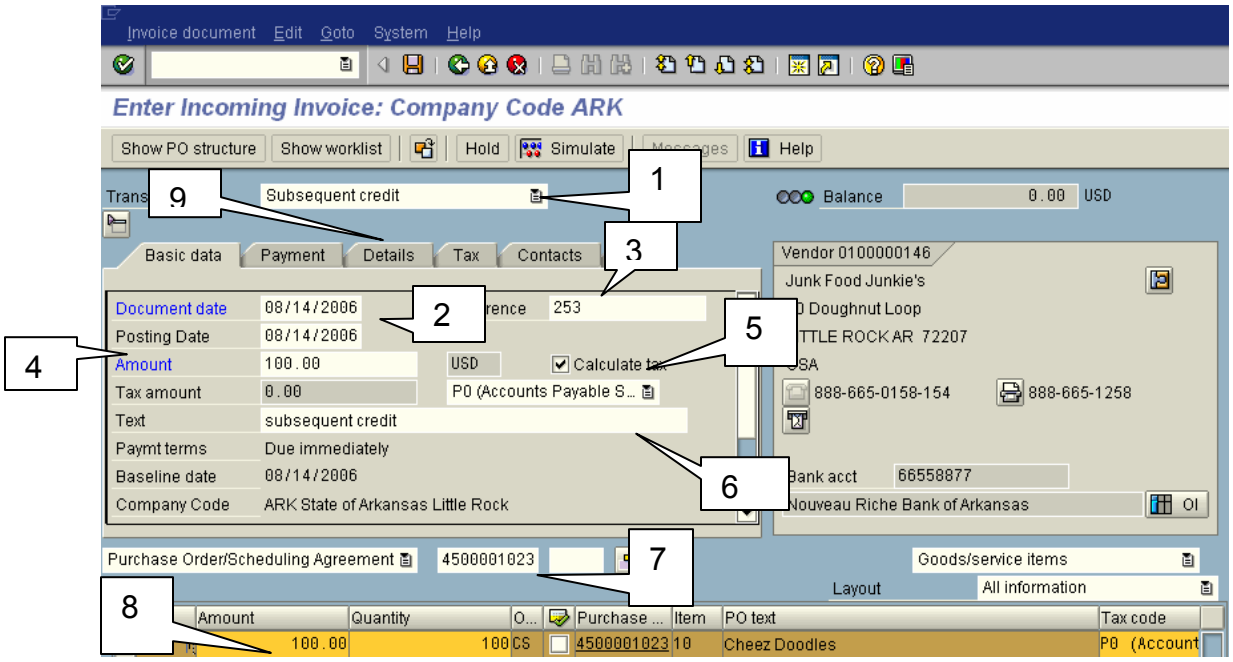
“Insufficient open items to same Fund/Funds Center/Commitment Item to offset credit memo.”

The best way to locate an offsetting invoice is with transaction ZPO_OPEN_INV as discussed in Chapter 4.

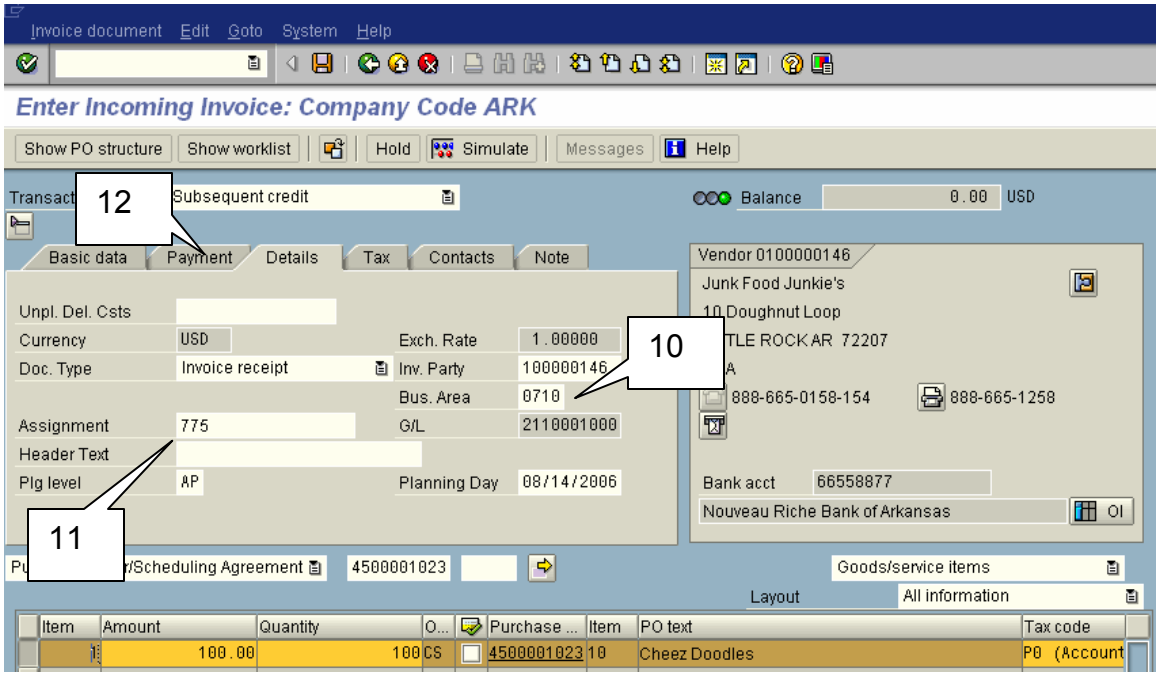
Use the MIRO transaction to enter the subsequent credit.



1. Change Transaction to Subsequent credit.
2. On the Basic data tab, enter the date in the Document date field.
3. Enter the related invoice in the reference field:
4. Enter the amount of the credit in the Amount field.
5. If the item is tax relevant, choose the appropriate tax code and select calculate tax.
6. Enter text as desired.
7. Enter the purchase order number.
8. Enter the amount of the credit in the amount field on the item line.
9. Click the Details tab to continue.



10. Enter the business area.
11. Make entries in the Assignment field and Header Text fields as desired.
12. Click the Payment tab to continue.



13. Enter the payment method:

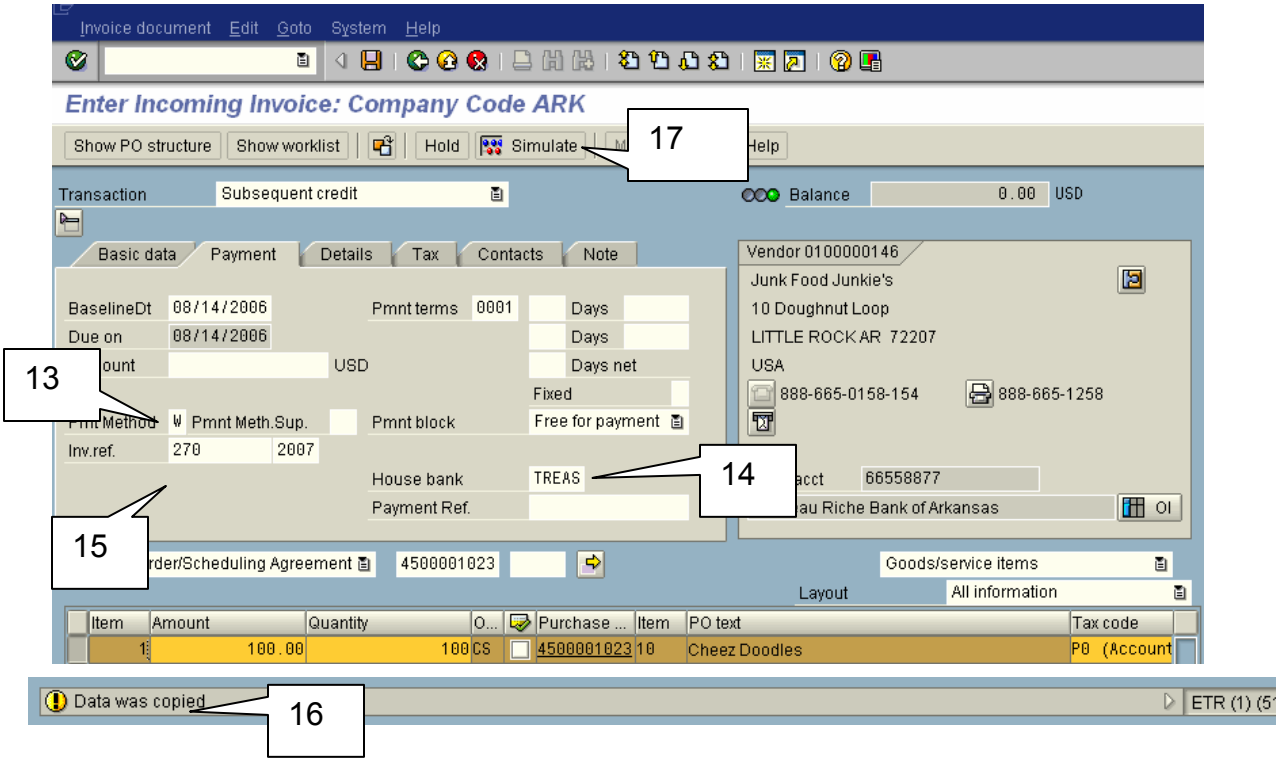
Look at the payment method for the offsetting invoice. Put the same payment method here. If the invoice Payment Method is W (Warrant) and the subsequent credit Payment Method is A (ACH), the two cannot net in the payment program. Payment Method fields that do not match will not prevent a user from posting a subsequent credit, but it will prevent proper clearing.

14. Enter the house bank.

15. Enter the MM number of the offsetting open invoice in the Invoice reference field.

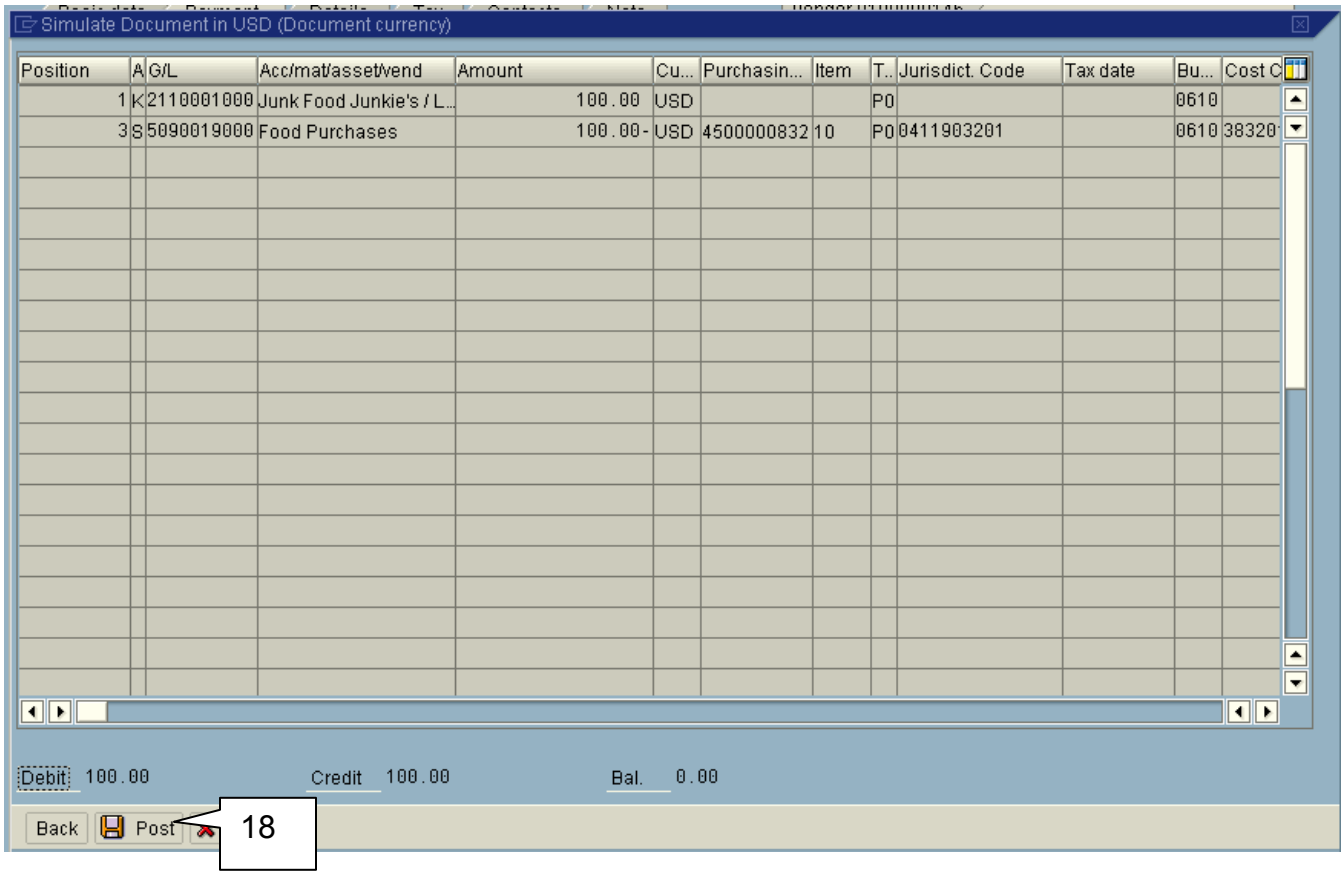
16. Press the Enter key. AASIS will enter the fiscal year and return the message “Data was copied”.

17. Click the Simulate button.

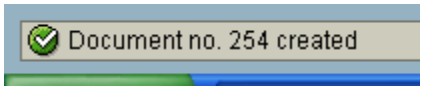


The simulation will show a credit to the vendor account and debit to the expense account. (The expense account code is derived from the purchase order that you entered in step 7.)

18. Verify that the posting is correct and click the Post button.



AASIS returns a document number for the subsequent credit.



Tips for Subsequent Credit Entries

You must make an entry in the invoice reference field on the payment tab. If you don't you won't be able to post a document and the message will say "unspecified error".

The Invoice Reference is necessary to ensure that the subsequent credit has the same baseline date and payment terms as the unpaid invoice. This will ensure that the subsequent credit and invoice net against each other in the same payment run and properly reduce the payment to the vendor. If the subsequent credit and invoice do not have the same payment terms and baseline date, they will be considered in different payment runs and will not net properly.

Finally, if there are multiple open invoices that match the subsequent credit vendor and budget quad fields, the subsequent credit will not clear in the payment run if it does not properly reference one of the invoices; AASIS will not choose which invoice to net the subsequent credit against and will leave it open, which means the vendor will be overpaid.

The invoice number in the **Invoice Reference** field, if it is a MIRO invoice, might be associated with a different PO than the one referenced in the **Purchase Order/Scheduling Agreement** field. The POs can be different because these fields serve different purposes in the subsequent credit.

The function of the **Invoice Reference** is to set the Payment Terms and Baseline Date on the subsequent credit, and to determine an invoice to clear against in the event there are several available in the designated payment run.

The function of the **Purchase Order/Scheduling Agreement** field is to populate the line items and vendor information in the subsequent credit.

When you display the posted MM document, it will be listed as a “credit memo” instead of a “subsequent credit” in the transaction field.

Order Unit ZLS (Lump Sum)

If the PO line item has an order unit of ZLS, DO NOT POST a subsequent credit—post a credit memo instead.

Subsequent credit for fixed assets is covered in detail later in this chapter.

Exercise 2 Enter the assigned subsequent credit for an expense.

What Is a Subsequent Debit?

Use a subsequent debit when you receive an additional invoice from a vendor because you were undercharged, increasing the total invoiced value, not the total invoiced quantity.

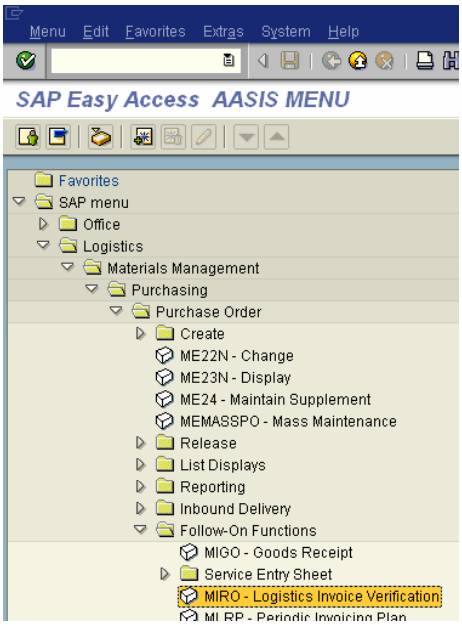
Subsequent Debits should be posted using transaction MIRO IF:

1. The original invoice for the goods or services **was** associated with a Purchase Order.
2. You have received an additional invoice from the vendor and need to increase a future payment.
3. There should be no change to the quantity received and/or quantity invoiced.

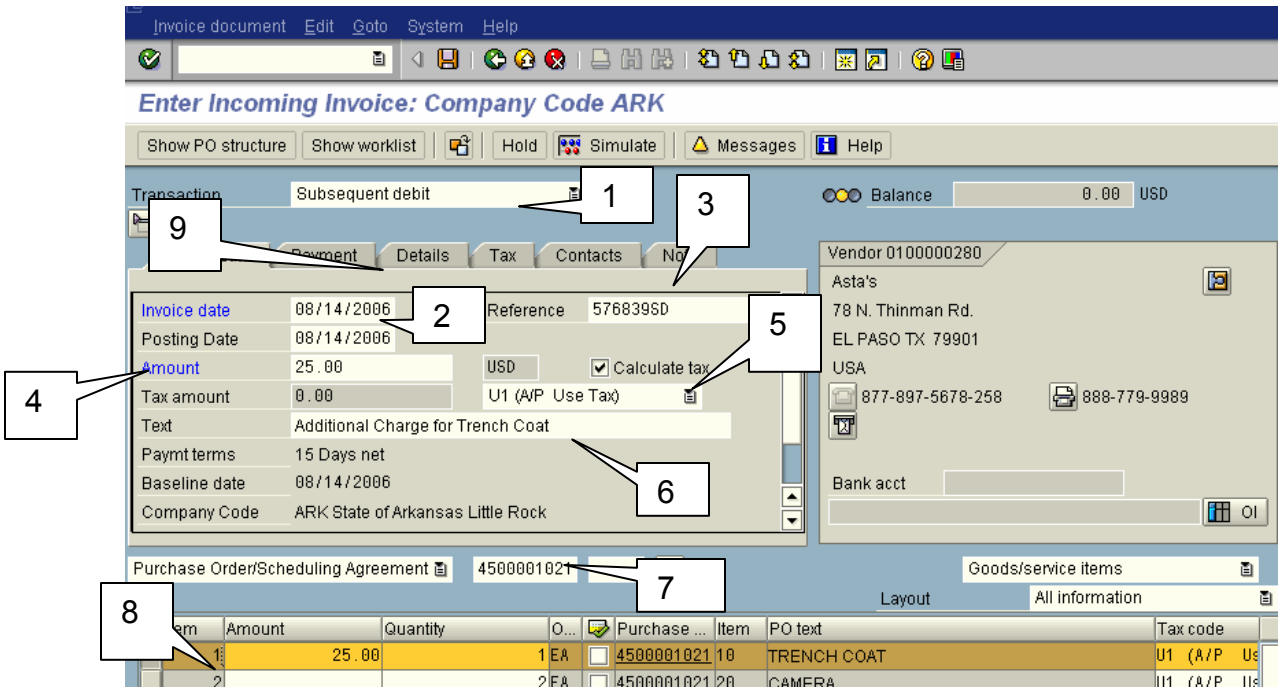
The process for a subsequent debit is the same as for a subsequent credit, except the vendor is receiving an increased payment rather than a reduced payment. You won't need an offsetting payable invoice.

How Do I Enter a Subsequent Debit for an Expense?

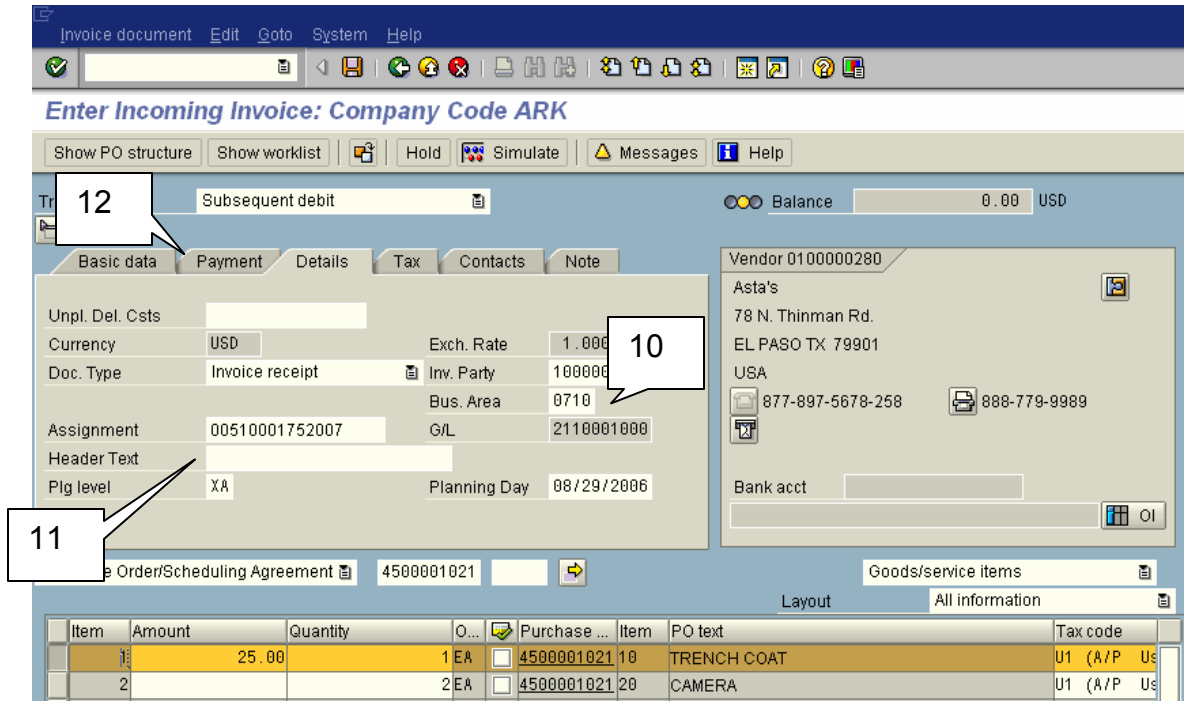
Use transaction MIRO to enter a subsequent debit.



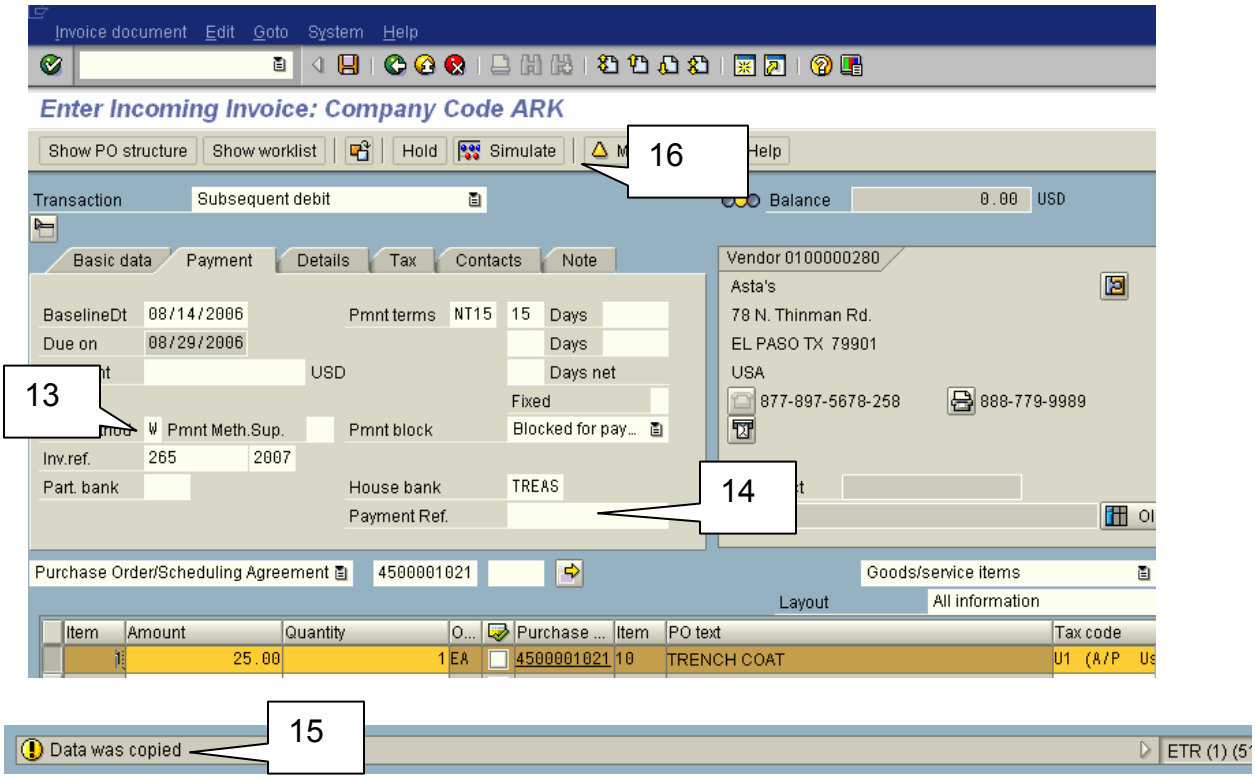
1. Change Transaction to Subsequent debit.
2. On the Basic data tab, enter the date in the Document date field.
3. Enter the related invoice in the reference field.
4. Enter the amount of the debit (including tax) in the Amount field.
5. If the item is tax relevant, choose the appropriate tax code and select calculate tax.
6. Enter text as desired.
7. Enter the purchase order number.
8. Enter the amount of the debit in the amount field on the item line.
9. Click the Details tab to continue.



10. Enter the business area.
11. Make entries in the Assignment field and Header Text fields as desired.
12. Click the Payment tab to continue.

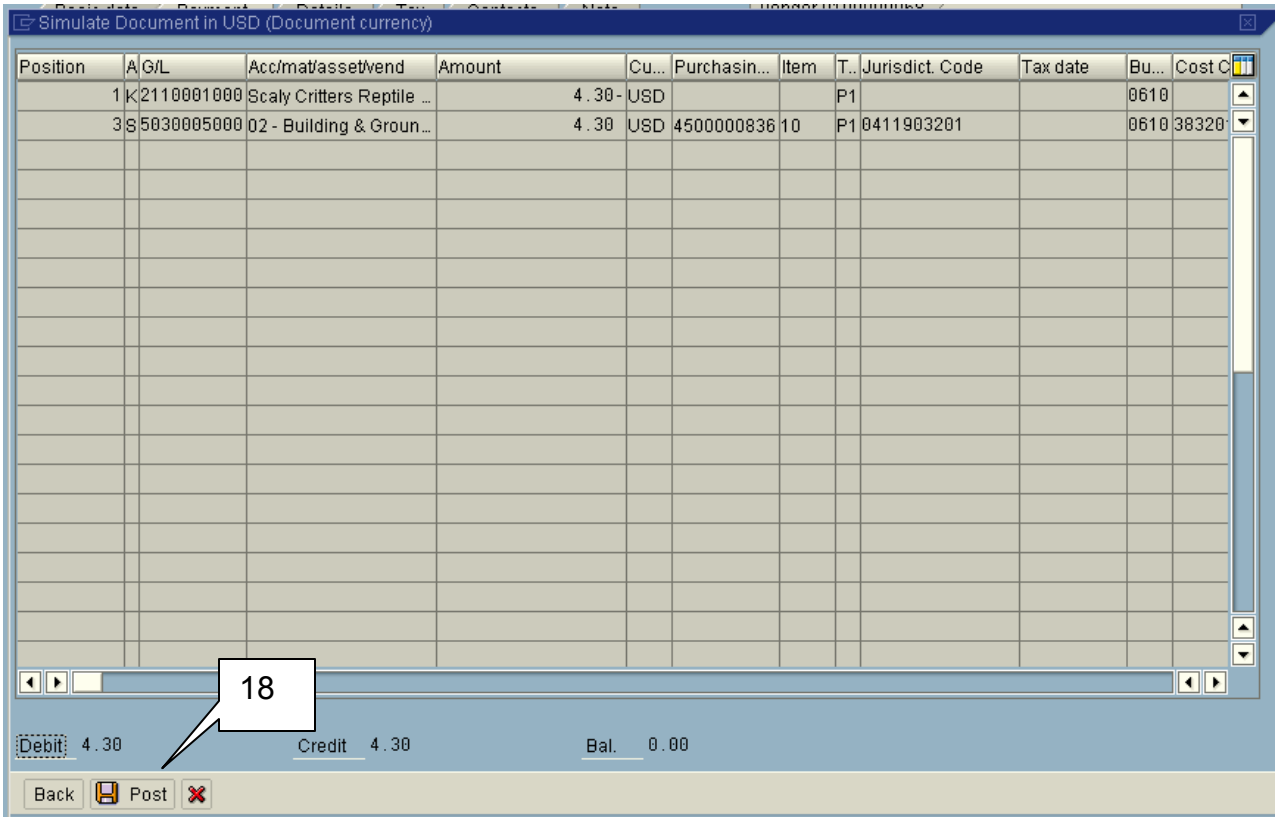


13. Enter the payment method.
14. Enter the house bank.
15. Press the Enter key. AASIS will enter the fiscal year and return the message “Data was copied”.
16. Click the Simulate button.

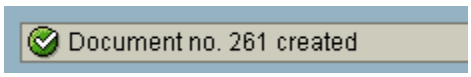


The simulation will show a credit to the vendor account and debit to the expense account. (The expense account code is derived from the purchase order that you entered in step 7.)

17. Verify that the posting is correct and click the Post button.



AASIS returns a document number for the subsequent debit.



Tips for Subsequent Debit Entries

You must make an entry in the invoice reference field on the payment tab. If you don't you won't be able to post a document and the message will say "unspecified error".

When you display the posted MM document, it will be listed as a "credit memo" instead of a "subsequent debit" in the transaction field.

Order Unit ZLS (Lump Sum)

If the PO line item has an order unit of ZLS, DO NOT post a subsequent debit. The Purchasing and Goods Receipt staff should create a new line item (or change the quantity on the existing line item) and post a new Goods Receipt for the additional amount/quantity. Accounts Payable staff can then post a new MIRO Invoice.

Exercise 3: Enter the assigned subsequent debit for an expense.

Subsequent Debits and Document Blocks

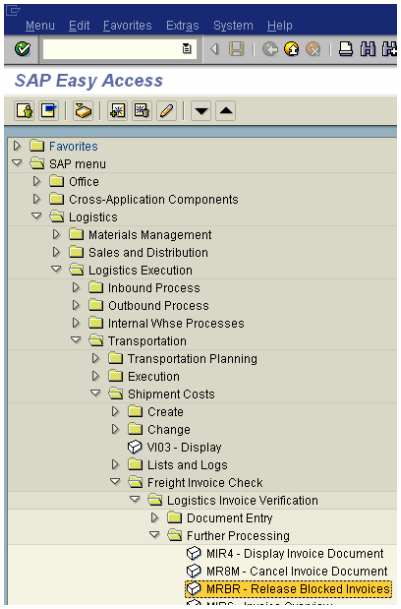
If the subsequent debit is more than $100 or 10% of the value of the amount of the original invoice, AASIS will block the document for payment. When the document is posted, AASIS will return a “blocked for payment” message.

Can I Unblock the Document?

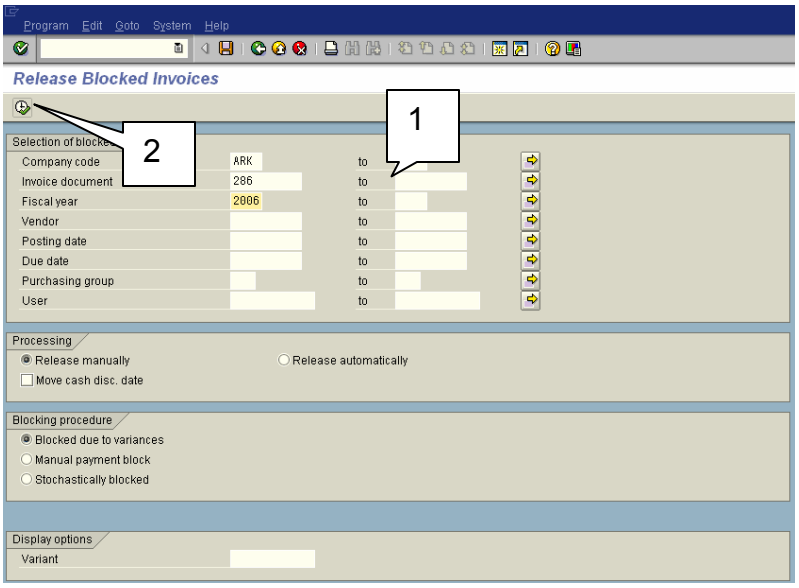
In the case of a system block for quantity, you should never manually unblock the invoice. Since quantity is not affected in the subsequent debit, the invoice can be manually unblocked.

How Do I Unblock the Document?

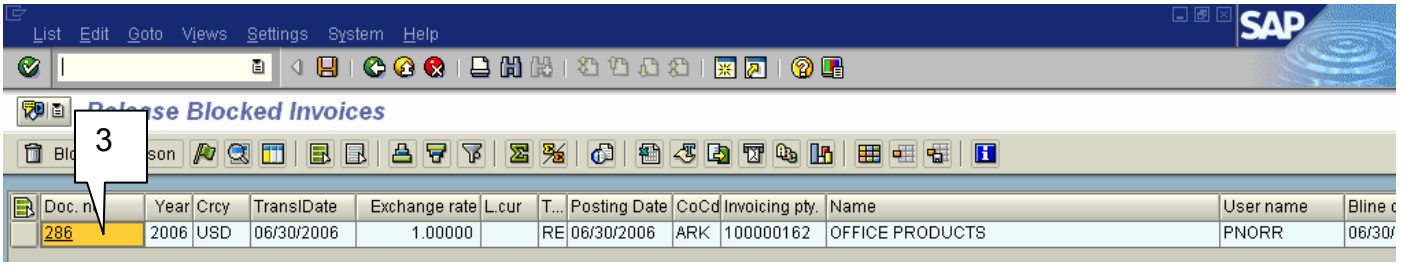
Use transaction MRBR to unblock the subsequent debit document.



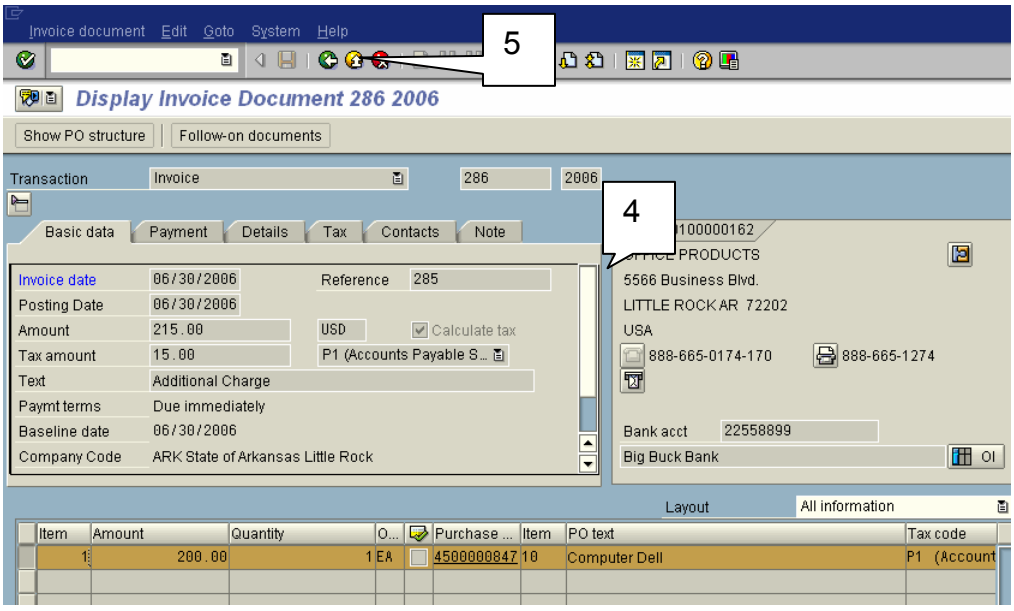
1. Enter the invoice number, or make entries to narrow down the search.
2. Click the Execute button.



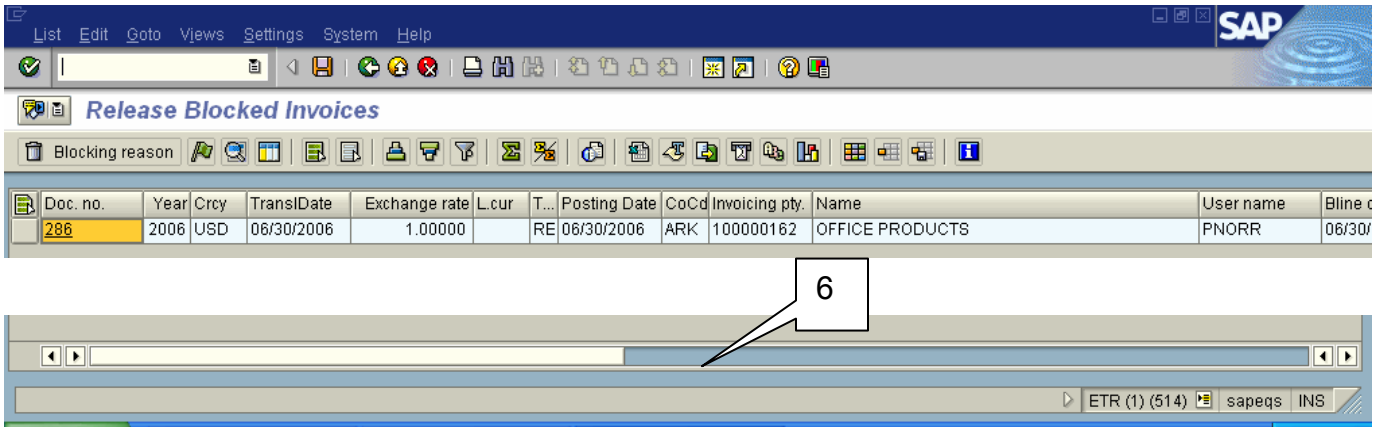
3. AASIS will return a list of documents according to your specifications. Click on a document number to display it.



4. Verify that this is the document that you want to unblock.
5. Click the back button to return to MRBR.

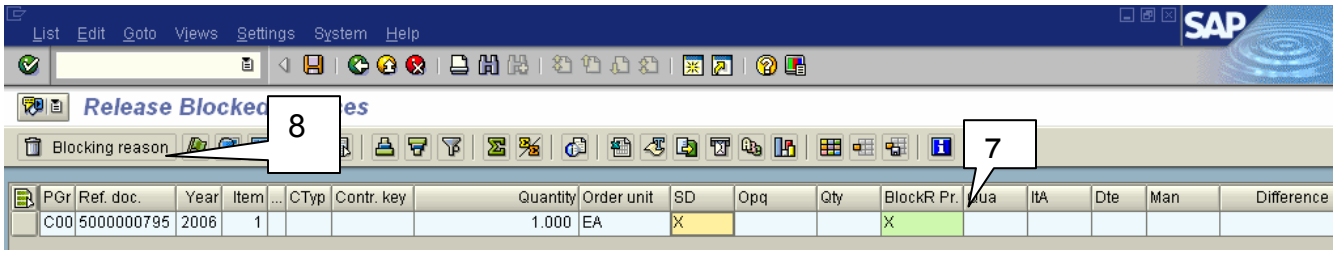


6. Scroll over to view blocking reasons.

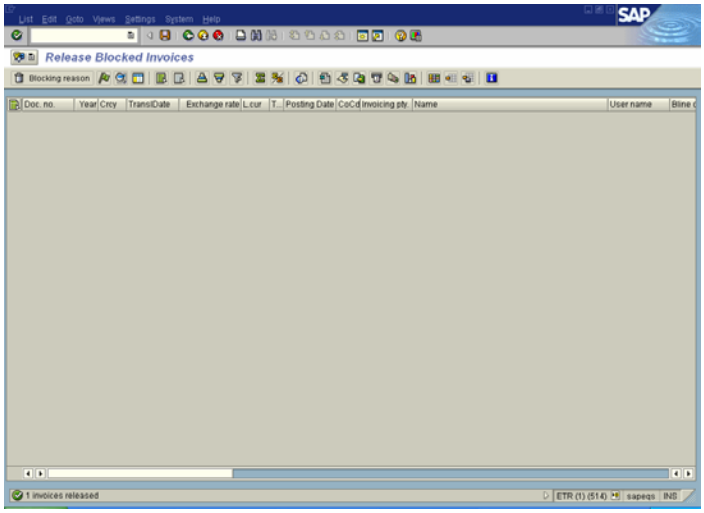


The X in the BlockR Pr column indicates that the document blocked because of price. This is the field that you want to release.

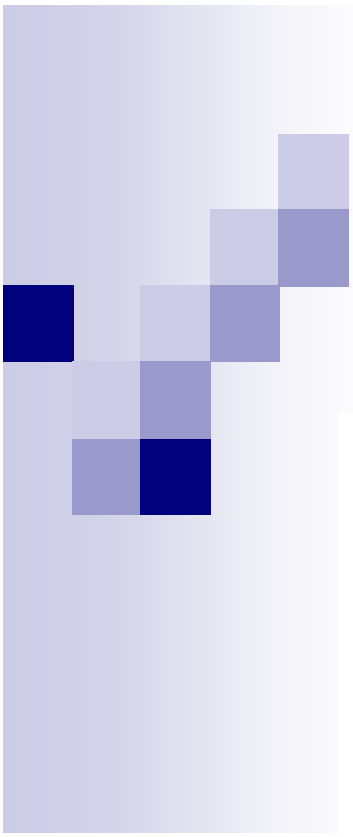
7. Click the field so that it is highlighted.
8. Click the delete blocking reason button.



The document will be deleted from the list and a message will appear at the bottom of the screenwith the number of invoices released.



Exercise 4: Release the document block created by the subsequent debit you entered in the last exercise.



Accounts Payable Basics – Logistics Invoice Verification Process

Chapter 19
Invoicing Fixed Assets

What Is the Difference between a Fixed Asset and an Expense?

A fixed asset generally has a longer useful life and a greater initial cost than an expense. The Arkansas Financial Management Guide defines assets and expenses as follows:

Capital Assets - Assets that meet the State's capitalization policy such as land, improvements to land, easements, buildings, leasehold improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure and all other tangible or intangible assets that are used in State operations and that have initial useful lives extending beyond one year. Capital assets do not include depletable resources such as minerals or timber.

Expenses - Decreases in net total assets. Expenses represent the cost of operations incurred during the current period regardless of the timing of the related disbursements.

How Do I Enter a MIRO for a Fixed Asset?

Your agency has received the following invoice from a vendor:

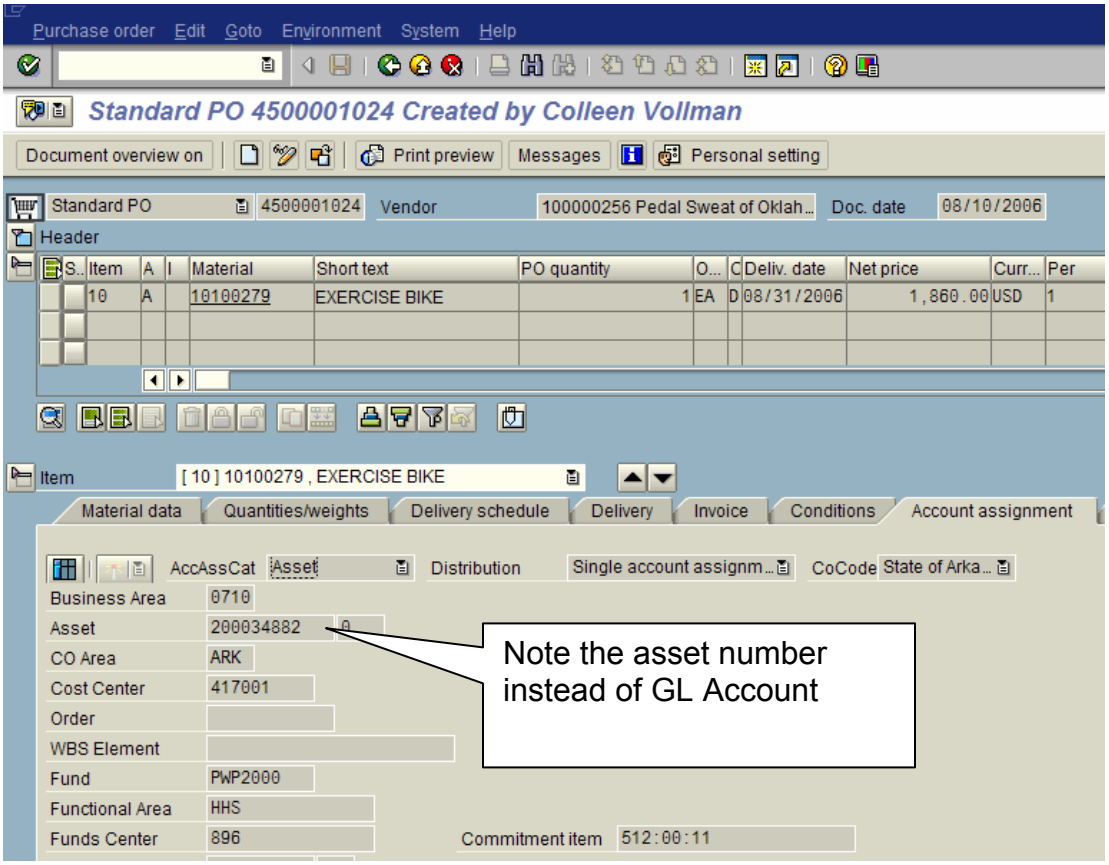
Pedal Sweat of Oklahoma
55 Freewheel Ave.
Tulsa, OK 74104

INVOICE

Invoice Number: 227683
Your Purchase Order: 4500001024
Invoice Date: 8/23/2006

1 Deluxe Recumbent Exercise Bicycle.....$1,860.00
Shipping and Handling.....25.00
Sales Tax.....141.38
Total.....$2,026.38

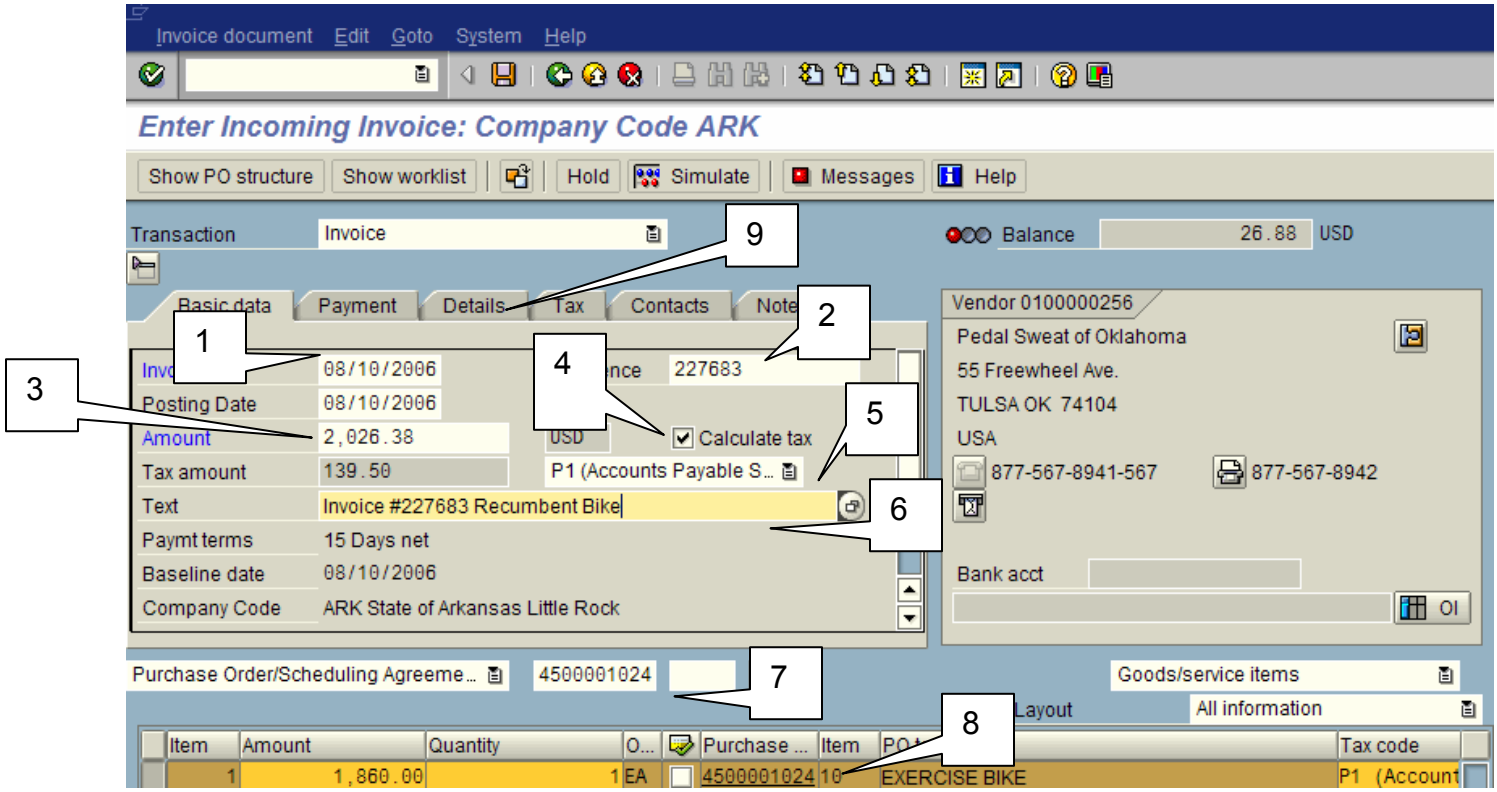
You were able to match the invoice to the following purchase order:



Use the following steps to enter the invoice:

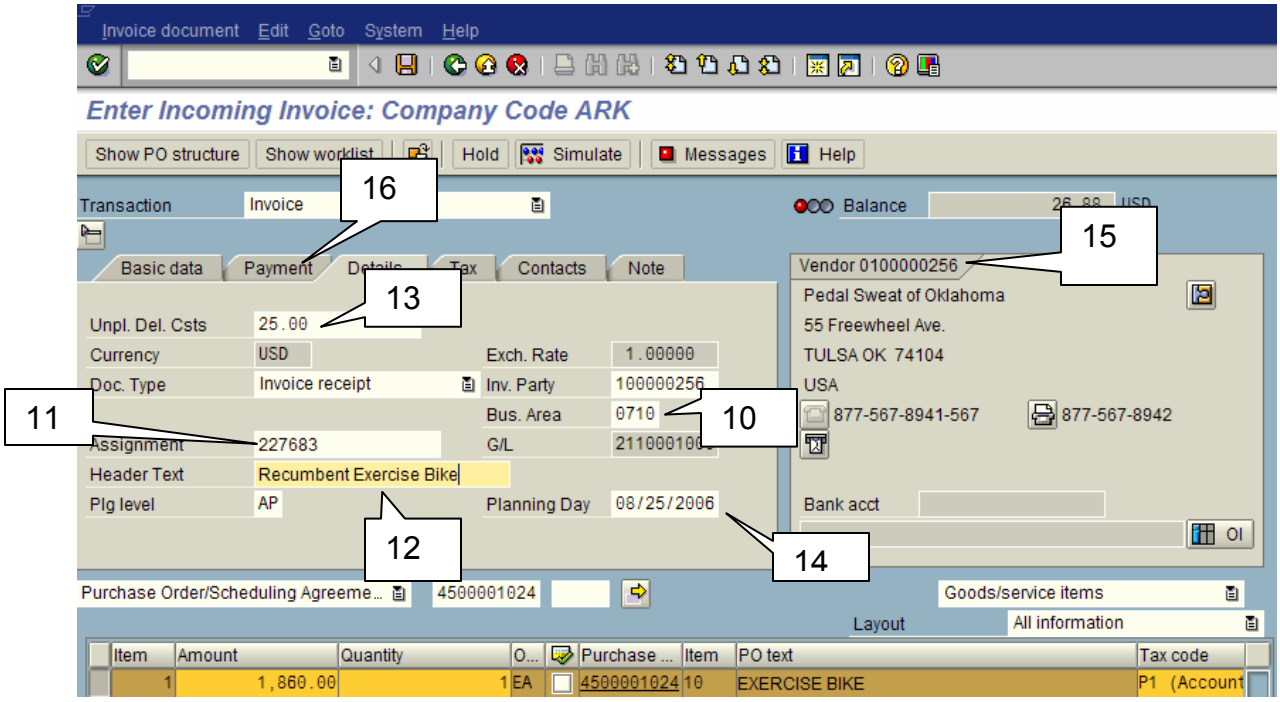
1. Enter the Invoice Date
2. Type the vendor's invoice number in the Reference field.
3. Enter the amount of the invoice including tax in the "Amount" field.
4. Check the "Calculate tax" box if you want the system to calculate the tax. You may also enter the tax amount in the "Tax amount" field.
5. Choose the "P1" tax code.
6. Enter text in the "Text" field if needed.
7. Enter the PO number.
8. Check the order unit. **Be sure it is not ZLS.** ZLS order unit causes the wrong value to be posted to the asset.
9. Click the Details tab to continue.

   Note: If ZLS is the order unit, have the PO corrected before posting the invoice.

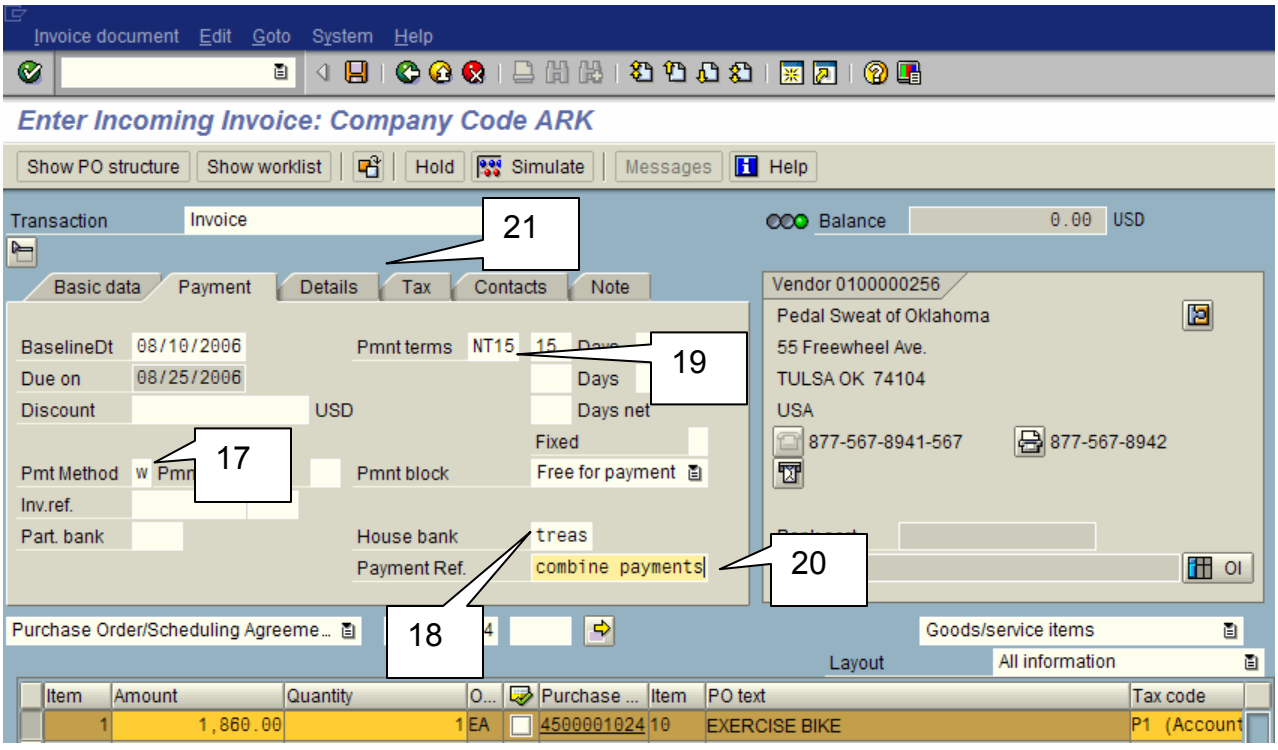


Note: This is the same procedure as entering an expense MIRO.

10. The only required field on the Details tab is the Business Area.
11. Enter information in the assignment field. The assignment field will print on the remittance. The recommended entry is the invoice number.
12. Enter information in the Header Text field. Header texts will also print on the remittance.
13. If there are unplanned delivery costs, enter them in the Unpl. Del. Csts. field.
14. The Planning Day field date is defaulted from the PO and is system derived. Do not change this field. The date will not affect the payment.
15. The vendor number is derived from the purchase order.
16. Click on the Payment tab to continue.

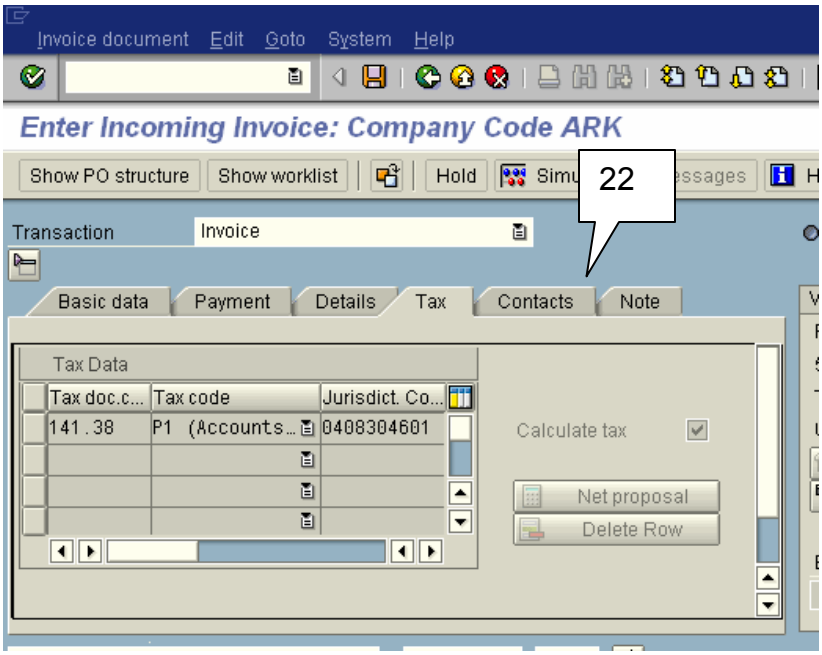


17. The Pmt. Method field is a required field. Enter "W" for warrant being paid from a treasury account. Enter "C" if the invoice is being paid by check from the agency bank. Enter "A" for a direct deposit from Treasury into the vendor's account.
18. The House Bank is also a required field. Enter TREAS if the invoice is payment methods "A" & "W" being paid from a treasury account. Enter your AASIS house bank if payment method is "C" and being paid from an agency cash account.
19. Check the Payments terms field. Change the payment terms as desired. AASIS will pay the vendor on the date based on the number of days you select from the baseline date.
20. The payment reference field is used to control the number of payments sent to the vendor. Make an entry in this field to generate a separate payment for this invoice. To combine all invoices in one payment, leave it blank or enter the same reference for multiple invoices to be combined.
21. Click on the Tax tab to continue.



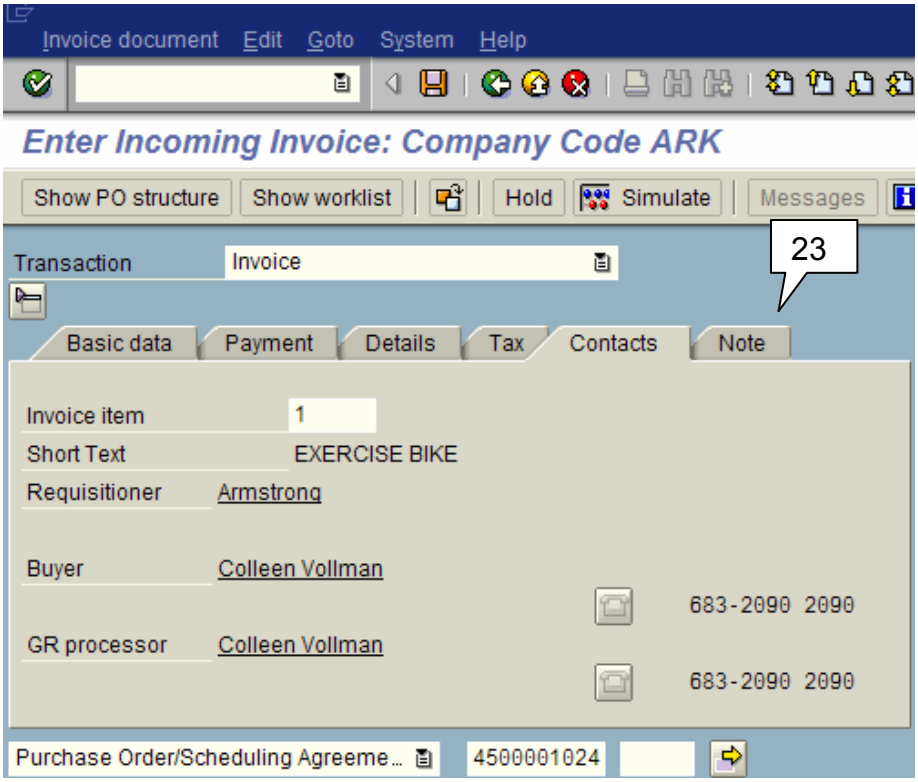
No entry is required. Tax data is copied from the basic data tab.

22. Click on the Contacts tab to continue.

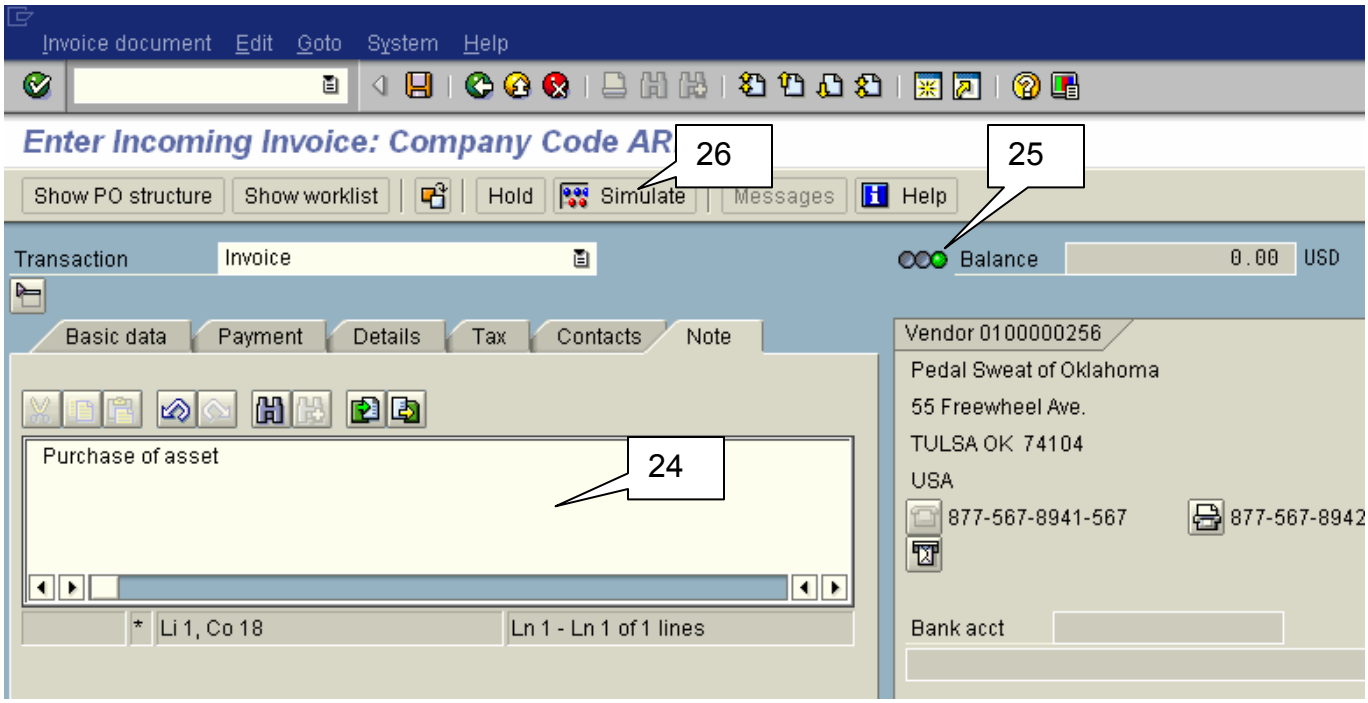


You can view contact information from the Contacts tab. If you have a problem with a line item on the invoice, you can look at this tab to know who you can contact.

23. Click on the Note tab to continue.

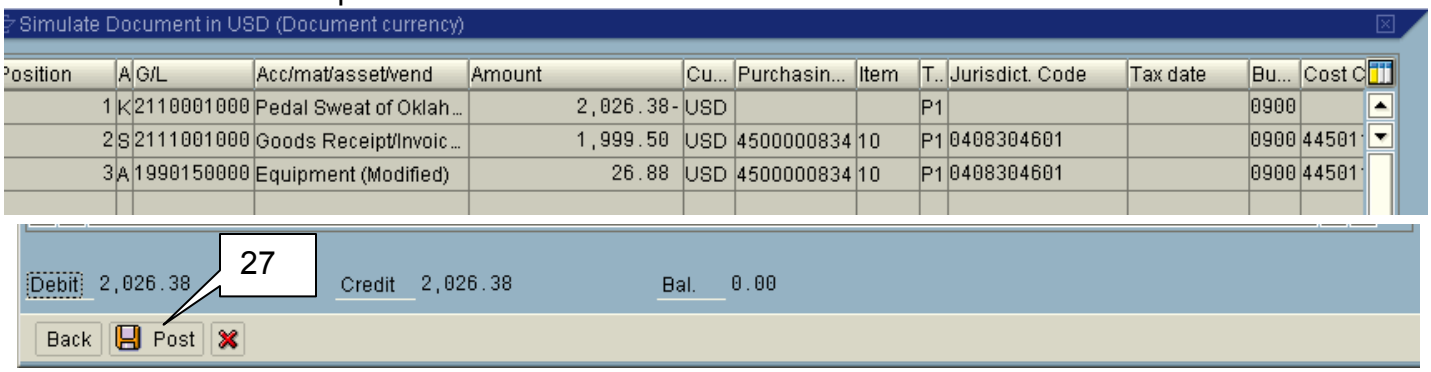


24. You can enter notes on the Note tab. This information is for internal use only; it does not print on the invoice or remittance.
25. When the document is balanced between debits and credits, the stoplight style indicator will show green and the balance will show “0”.If the stoplight style indicator shows red or yellow the document has issues. Reasons may be that the document is not balanced between debits and credits, there is a budget error, the document value is over the tolerance set (10% or $100.00), or the period is not open.
26. Click the Simulate Button to view the document as entered.

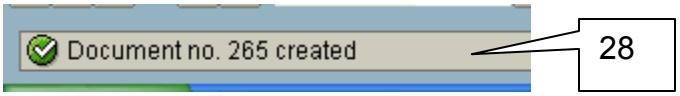


27. View the document. You may post from this screen or hit the back button to make changes to the document.

NOTE: Verify that the cost center, fund, funds center and commitment item are correct before you post the document. If you see any errors, contact the person on the contact tab.



28. Note the document number at the bottom of the screen. This will be the MM document number. There will also be other document numbers created at the same time for the document posting in the FI, FM, SPL, and Controlling modules of AASIS.



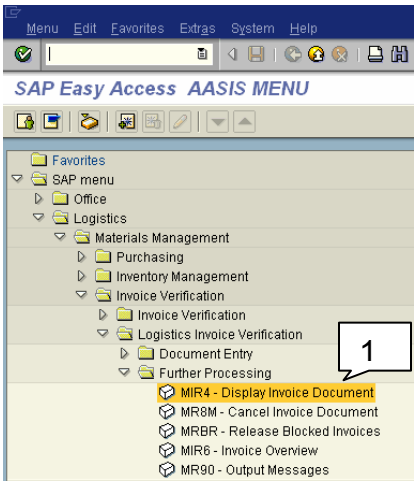
How Is This Different from Posting an Expense MIRO?

So far, the process is the same from the MIRO standpoint. The asset was derived in the purchase order, not in the MIRO document. The accounting is different for the posted asset, as follows:

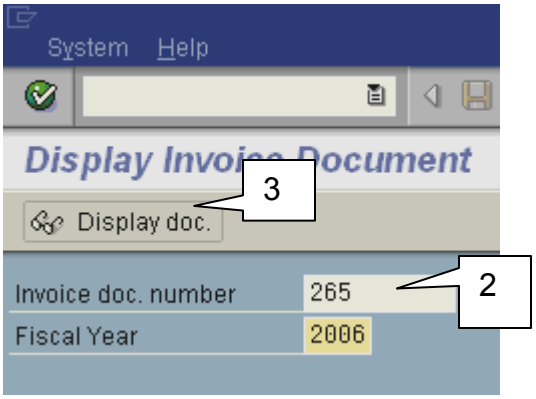
You can display your document and drill down to view the postings in transaction MIR4.

Use the following steps to view the documents;

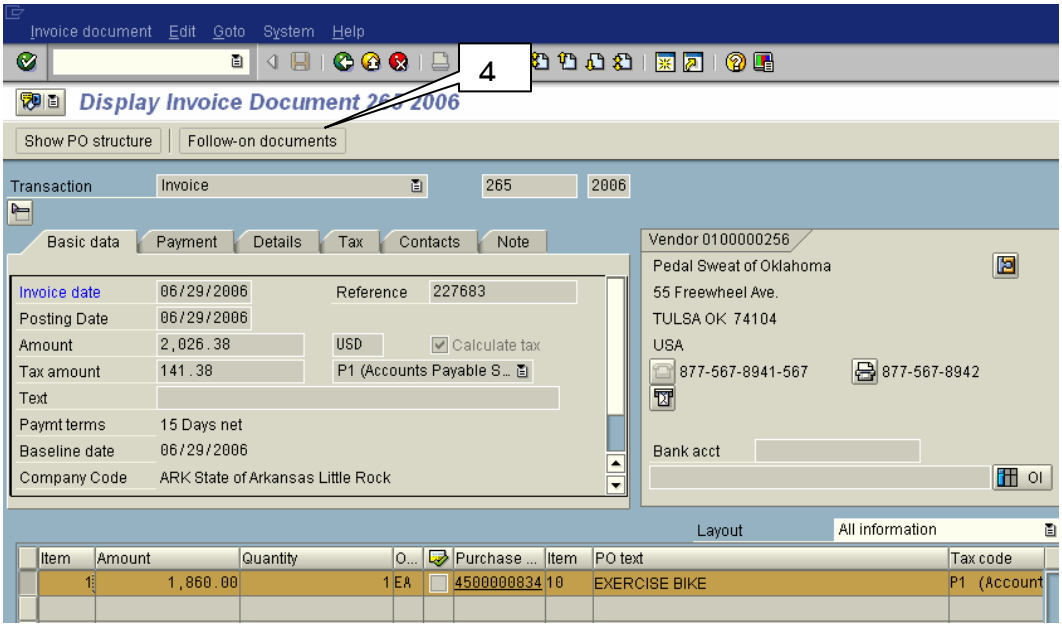
1. Open transaction MIR4.



2. Enter the MM document number. This is the number you saw at the bottom of your screen when you created the MIRO.
3. Click the Display doc. button.

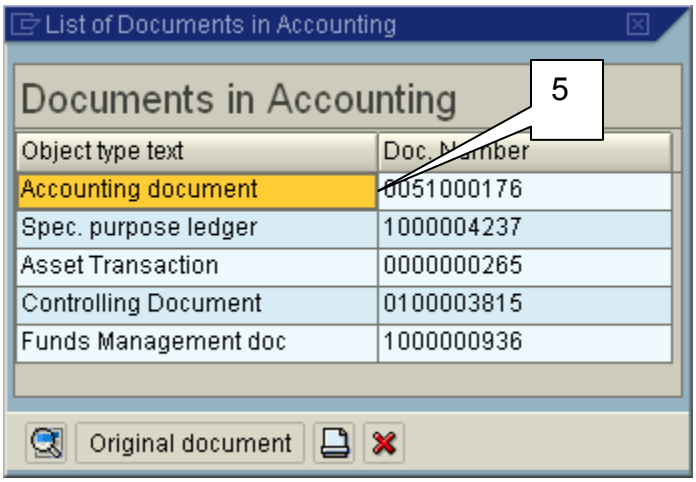


4. The MIRO document displays. To see the other postings that were created in AASIS when you entered the MIRO, click the Follow-on documents button.



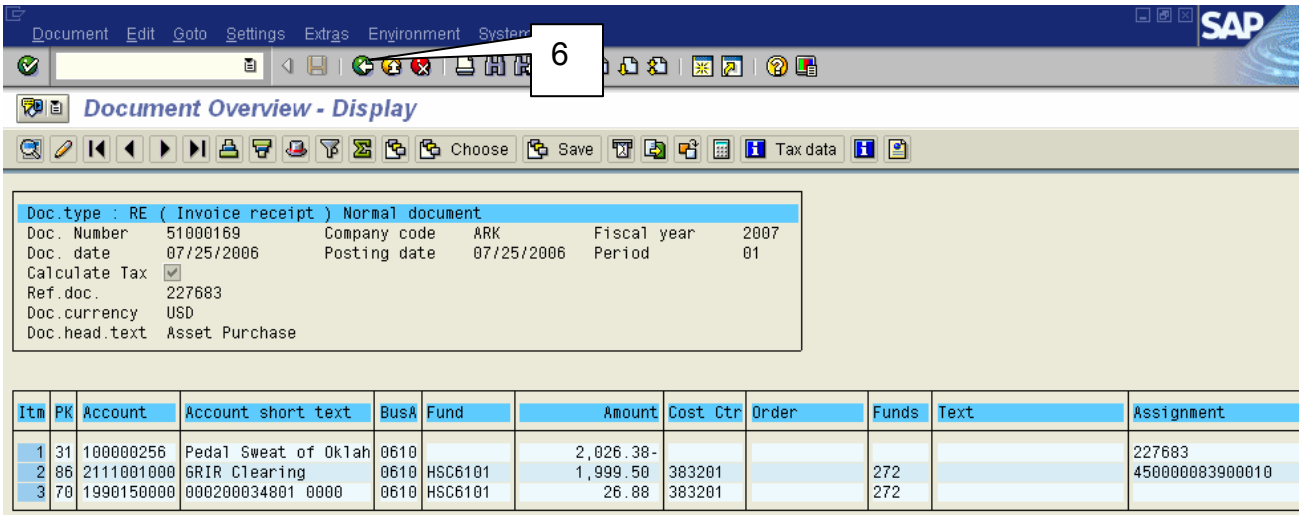
How Do I View the Accounting Document?

5. A list of documents displays. You will notice that there is an extra document, for the asset. Double-click the accounting document to display it.



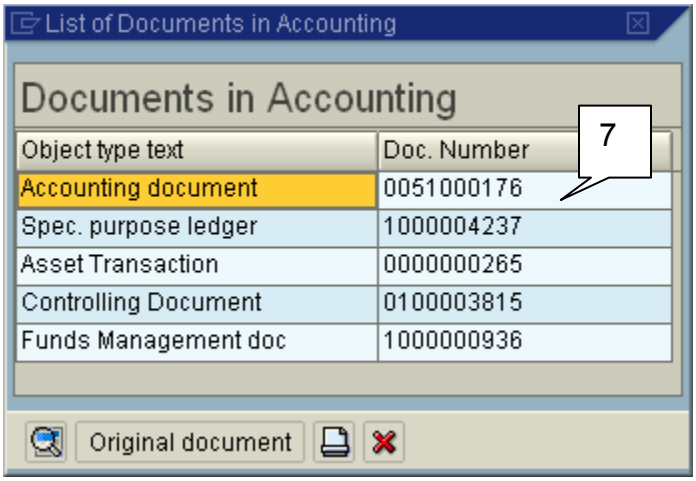
The accounting document shows the posting to the general ledger. You can see the debit to the GR/IR account, the credit to the vendor accounts payable account, tax accruals (if any) for each line item. The additional 26.88 posted to the asset account is the shipping cost entered on the MIRO plus sales tax on the shipping cost. Note that the accounting document number is different from the number that you used to display the document in MM.

6. Click the back button to continue



How Do I View the SPL Document?

7. Double-click the SPL document to view the special purpose ledger posting.

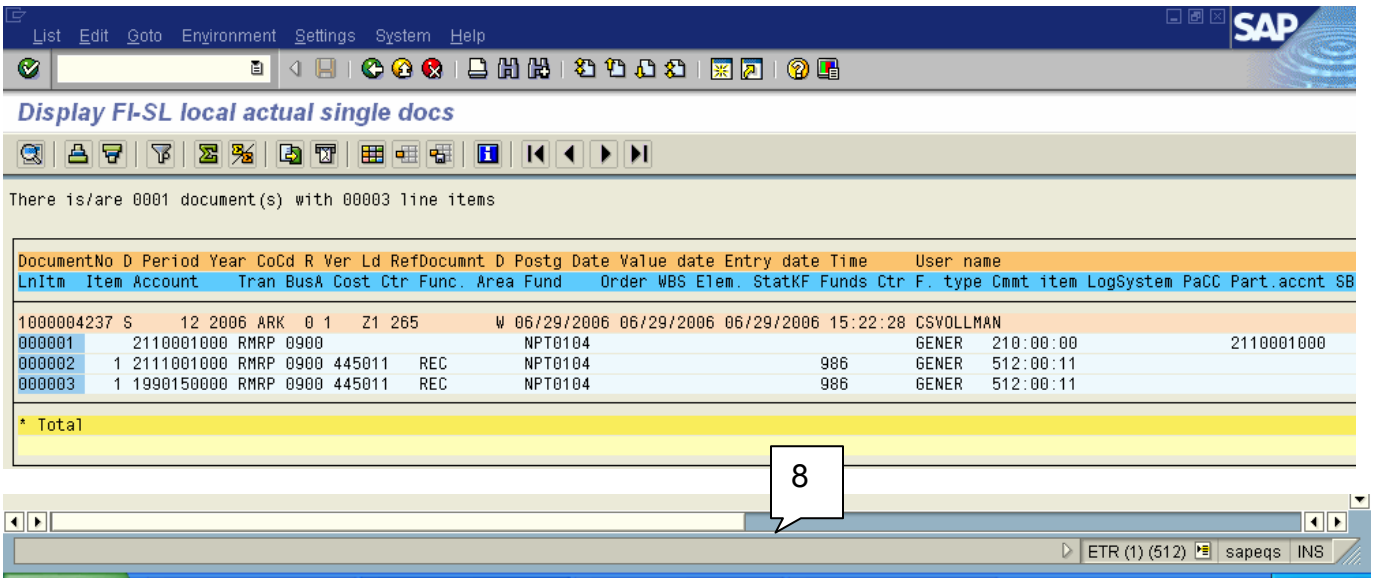


The SPL document contains a header (highlighted in orange) and multiple line postings (highlighted in blue). The first column contains the document number and line item.

The second column contains the period and account number. Note that the account numbers in the SPL are the same as the GL accounts discussed earlier—The GR/IR account, the asset account, the Tax accrual accounts (if any), etc.

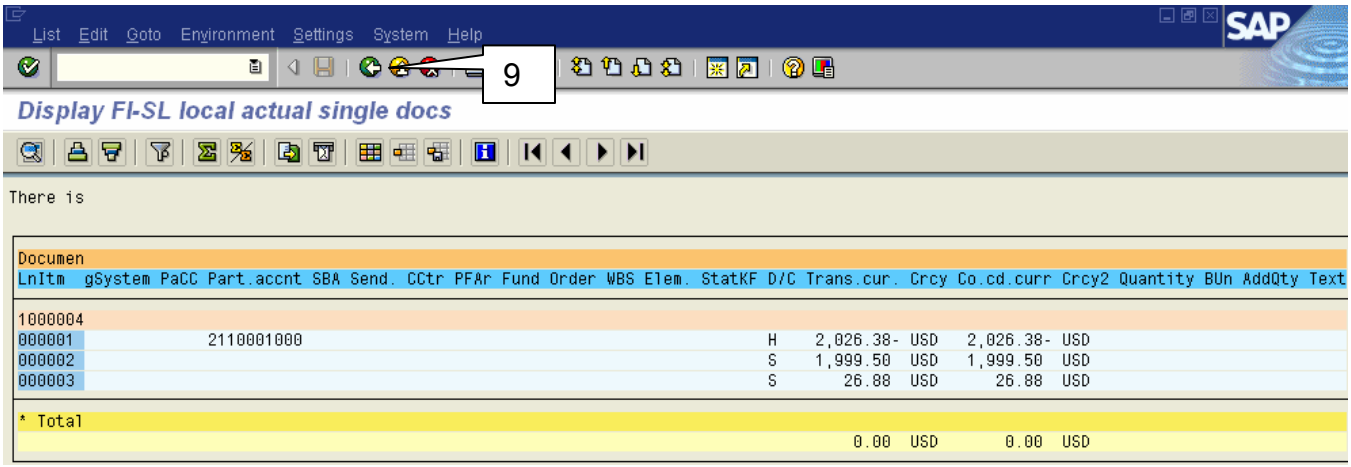
The next columns contain the business transaction codes, business area, cost centers, functional area, fund, funds center, fund type, commitment item, and partner account.

8. Scroll over to view more information.



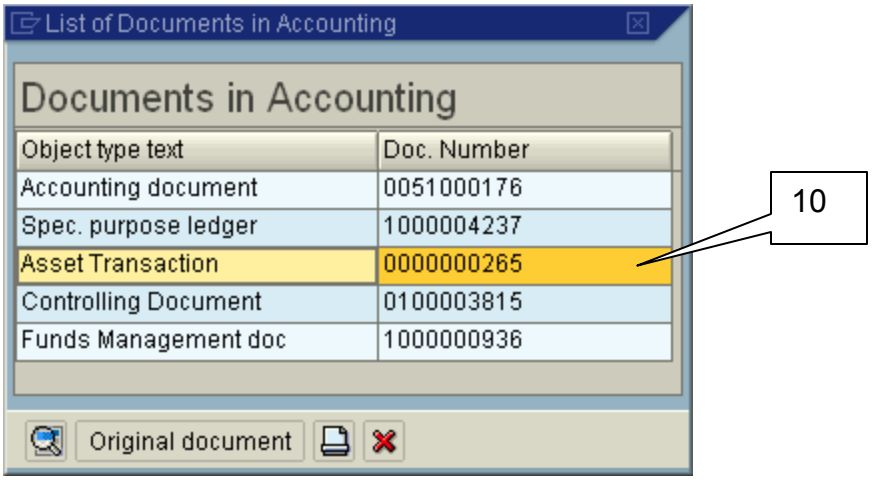
Other information contained in this document includes debit or credit information, amount, and currency.

9. Click the back button to continue.



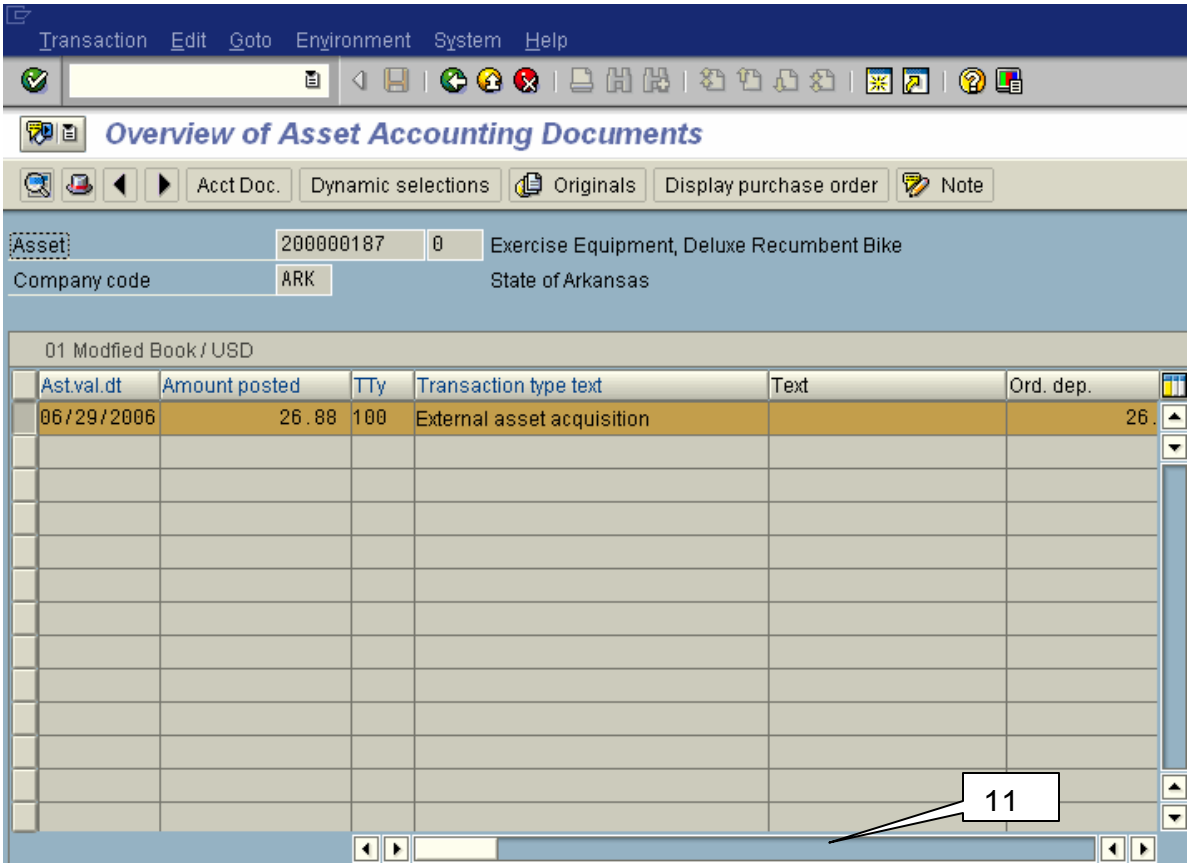
How Do I View the Asset Document?

10. Double-click the Asset Document to continue

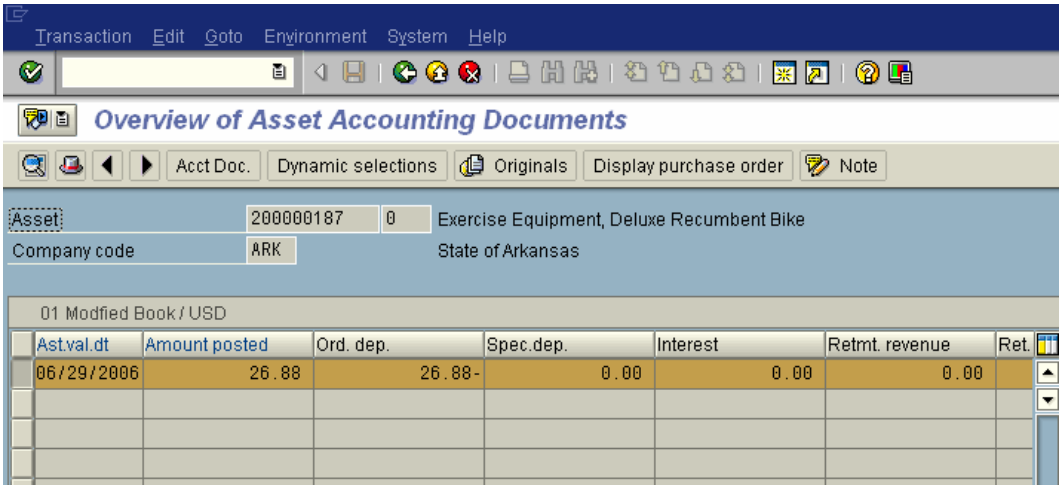


Note: There will only be a follow-on asset document available if sales or use tax was posted in the MIRO transaction, or as in this case, if shipping cost added to the asset cost. The $26.88 posted to the asset is the shipping cost, plus tax on the shipping cost.

11. Scroll over to view more of the document.



Note the credit to Ord. dep. This is the modified accrual depreciation of the shipping plus tax on shipping.

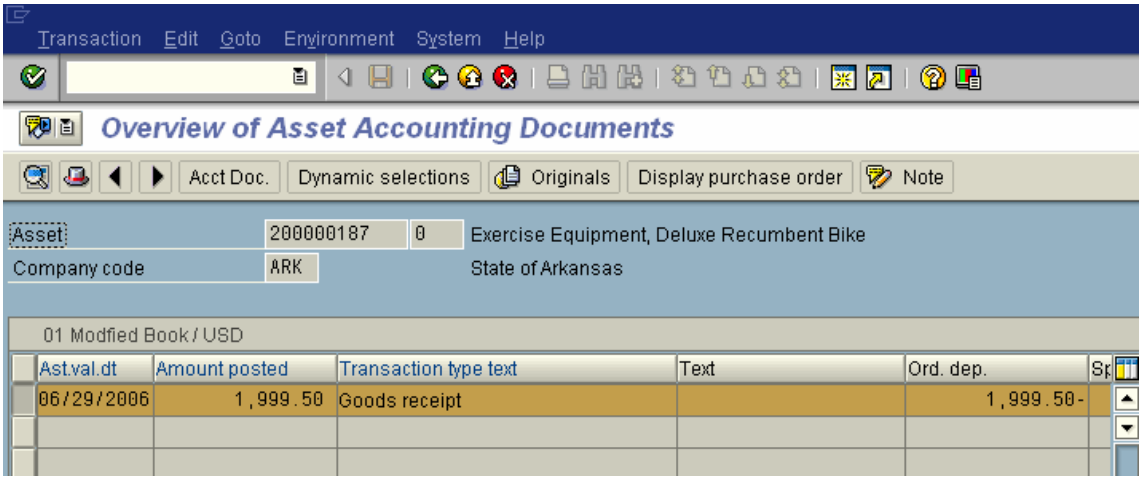


Where Is the Value of the Asset?

At this point you may be wondering why the value of the asset is not showing up in the follow-on documents to the MIRO transaction. After all, we just purchased a $1,860 asset and all we see is the shipping cost! Why is that?

The answer to this question lies in the way AASIS recognizes expense and asset purchases. Because this is an accrual accounting system, we recognize the asset at the time it is received, rather than the time it is invoiced or paid for. Thus the cost of the asset will be a follow-on-document to the MIGO transaction, not the MIRO transaction.

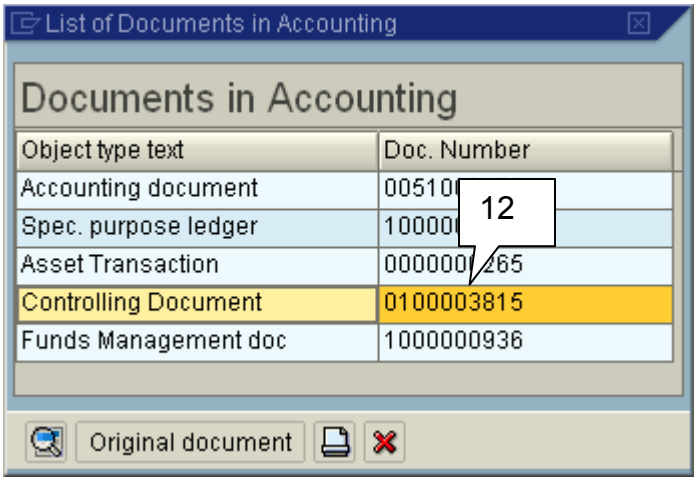
The following is a display of the follow-on accounting document for the MIGO transaction for this asset. Note the value posted (the asset cost plus sales tax and the modified accrual depreciation (the asset is depreciated at the time of acquisition.)



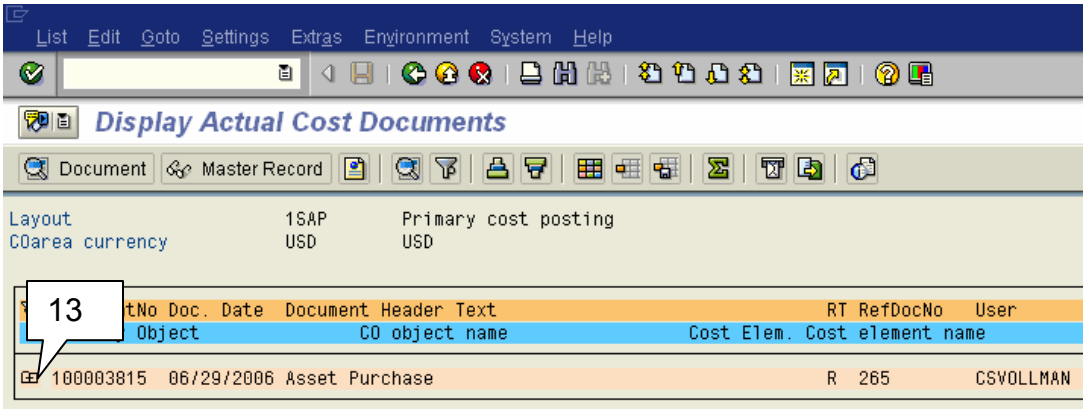
How Do I View the Controlling Document?

12. Double-click the Controlling Document to continue:

Note: There will only be a follow-on controlling document available if changes were made in the MIRO (e.g. shipping or tax added).



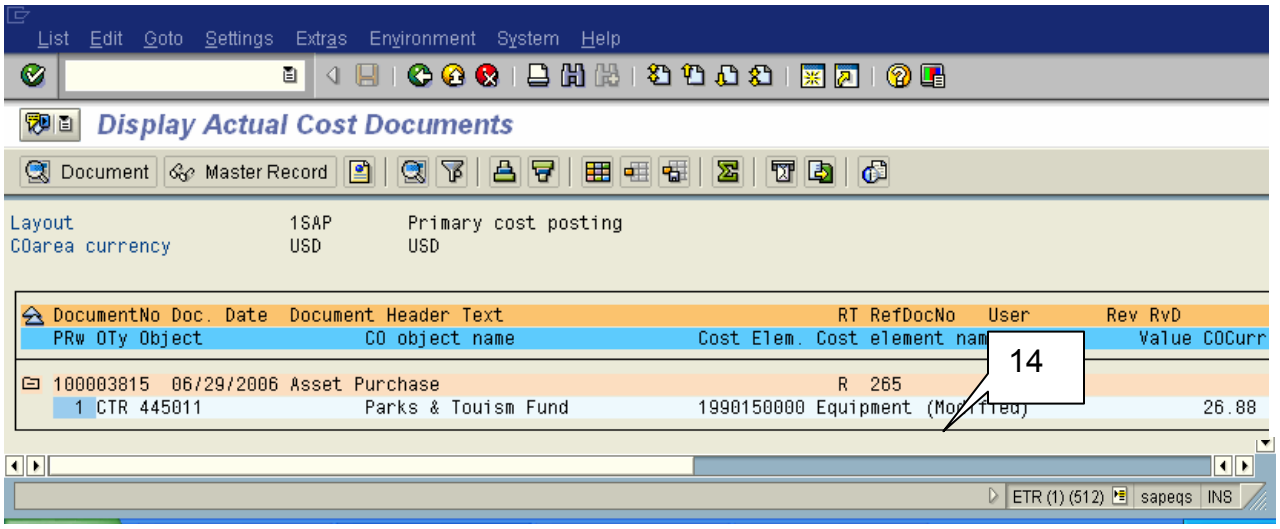
13. Click to expand the controlling document.



The controlling document displays cost center number and name, and cost element number and name. It also displays the value.

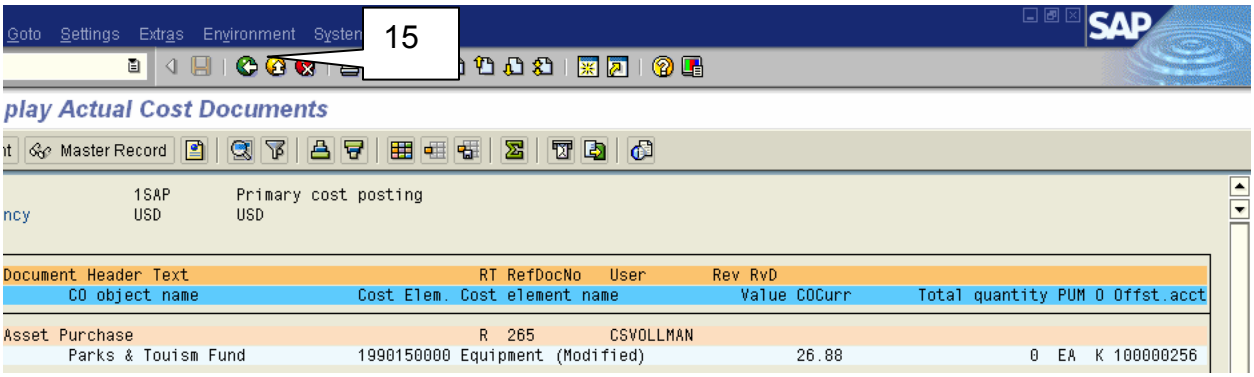
Like the asset document, the controlling document only picked up the shipping cost and tax on the shipping cost, and not the value of the asset. This is because the controlling document for the value of the goods was a follow on document to the *goods receipt*, rather than the *invoice receipt,* which is what we are viewing.

14. Scroll over to view more information.



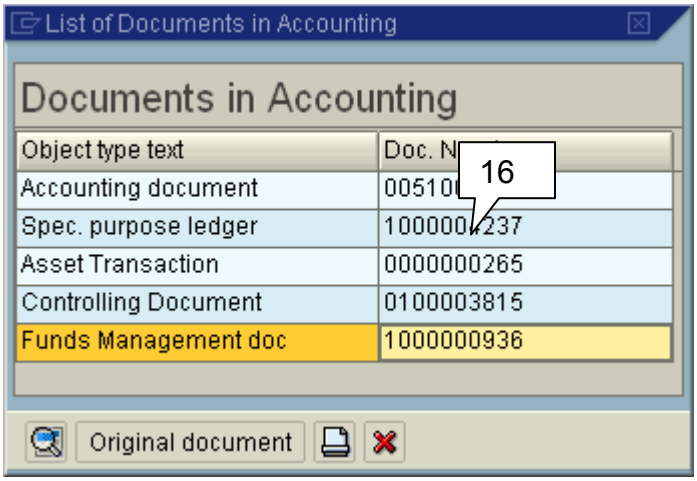
The Posted Unit of Measure, the cost object type (K for cost center) and the offsetting account (in this case, the account number of the vendor who is collecting this shipping and tax).

15. Click the back button to continue.



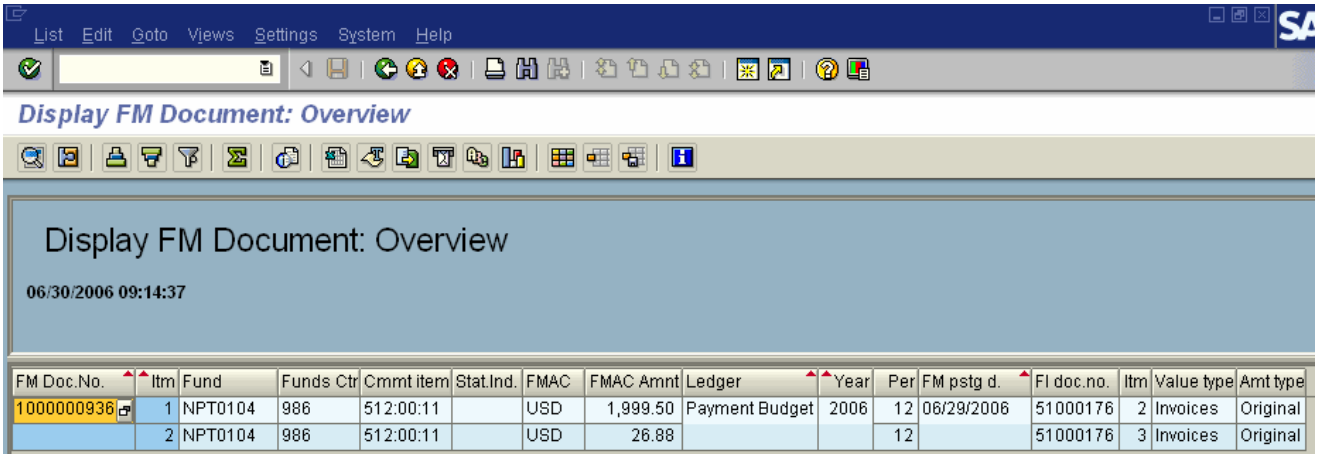
How Do I View the FM Document?

16. Double-click the Funds Management Document to continue.



The posting to funds management recorded an invoice commitment to the fund, funds center and commitment item for both the amount of the goods being paid and the sales tax.

Information contained in this document also includes the currency, ledger, year, FM posting date, Item number, and amount type.



FM Doc.No.	Itm	Fund	Funds Ctr	Cmmt item	Stat.Ind.	FMAC	FMAC Amnt	Ledger	Year	Per	FM pstg d.	FI doc.no.	Itm	Value type	Amt type
1000000936	1	NPT0104	986	512:00:11		USD	1,999.50	Payment Budget	2006	12	06/29/2006	51000176	2	Invoices	Original
	2	NPT0104	986	512:00:11		USD	26.88			12		51000176	3	Invoices	Original

Exercise: Enter the MIRO for the assigned single line asset invoice.

How Do I Pay for an Asset with Multiple Line Items?

Your agency has received the following invoice

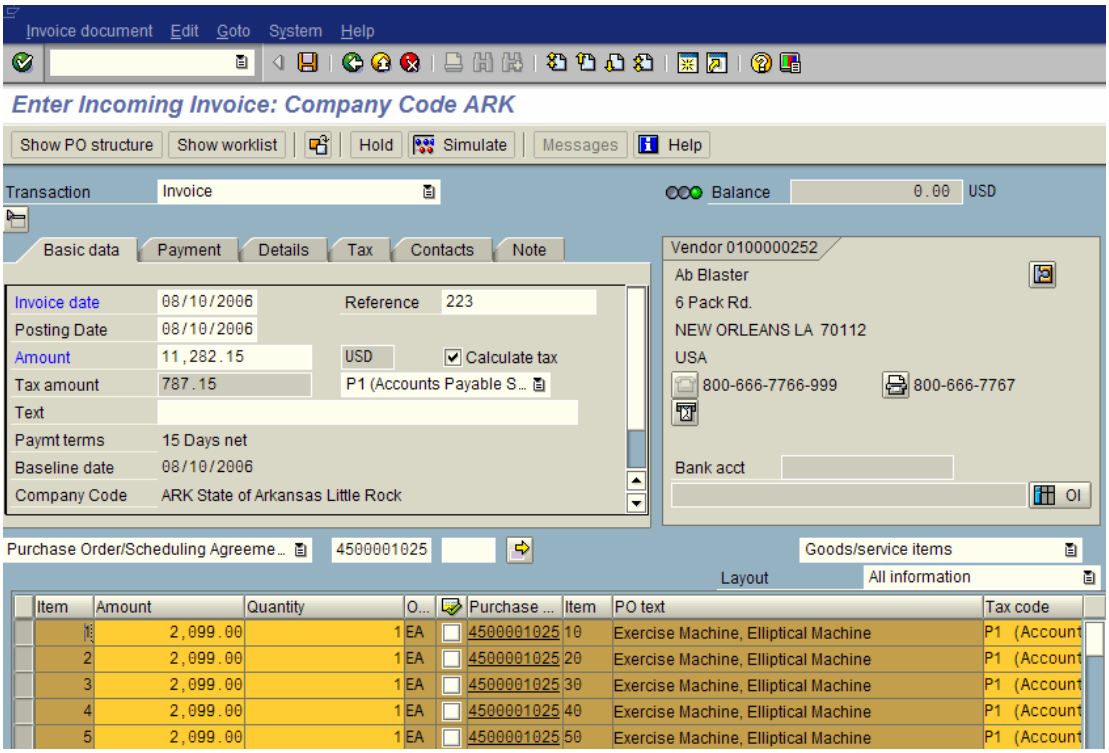
Ab Blaster
6 Pack Rd.
New Orleans, LA 70112

INVOICE

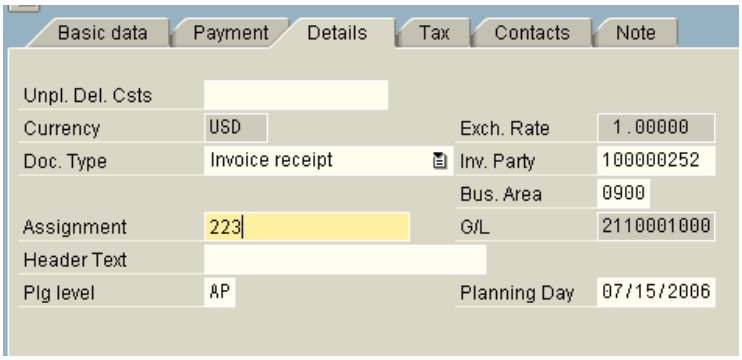
Invoice Number: 223
Your Purchase Order: 4500001025
Invoice Date: 6/30/2006

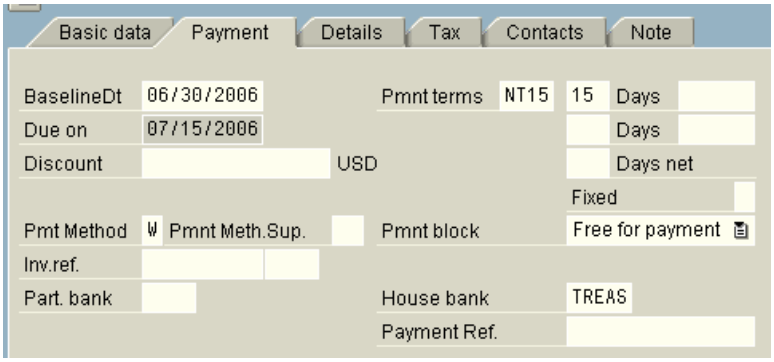
5 Deluxe Elliptical Exercise Machines.....$10,495.00
Sales Tax.....787.15
Total.....$11,282.15

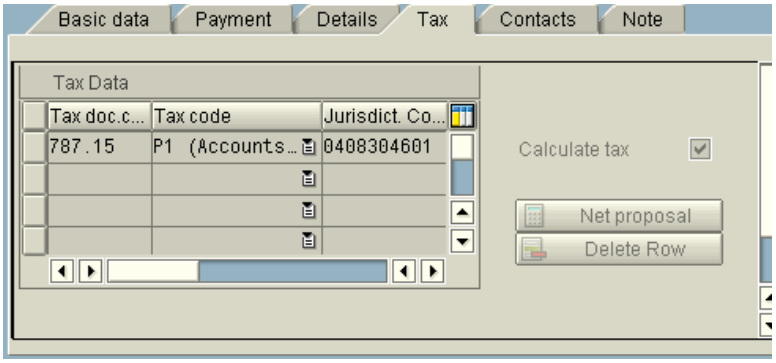
Enter the information on the Basic Data Tab. When you enter the purchase order number, the multiple lines will be populated.

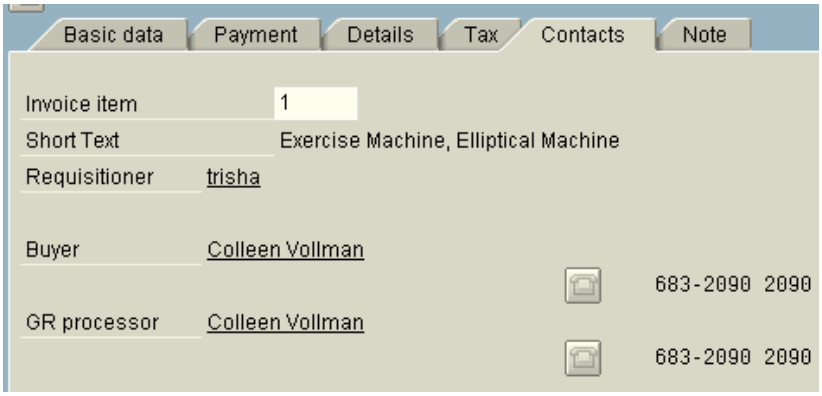


Enter the data on details and payment tabs. Verify the information on the tax tab. If there is a problem, do not post the invoice. See the contacts tab for information on who entered the purchasing and goods receipt documents.



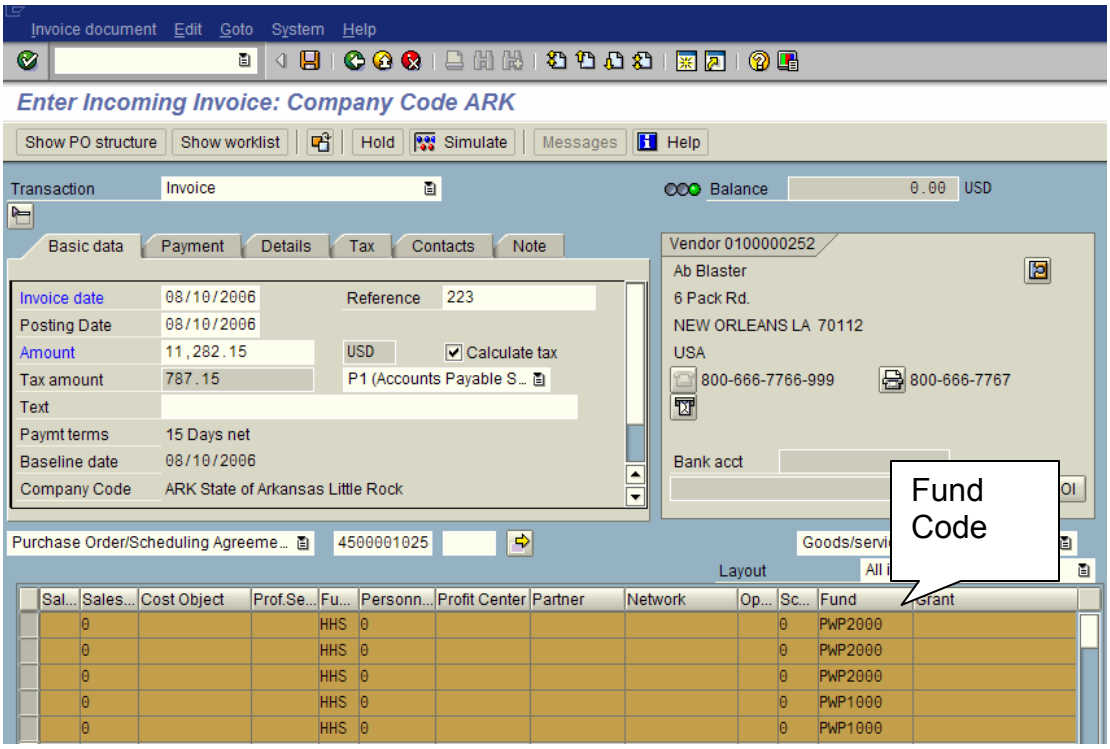






What If the Assets Are Purchased from Multiple Funds?

This information is contained on the asset shell. The system derives the fund source from the asset. You should verify that the posting is coming from the correct fund. You can see the fund codes at the bottom of the MIRO document. If you see an incorrect fund on the document, do not post it. Follow your agency's policy on getting the information corrected.

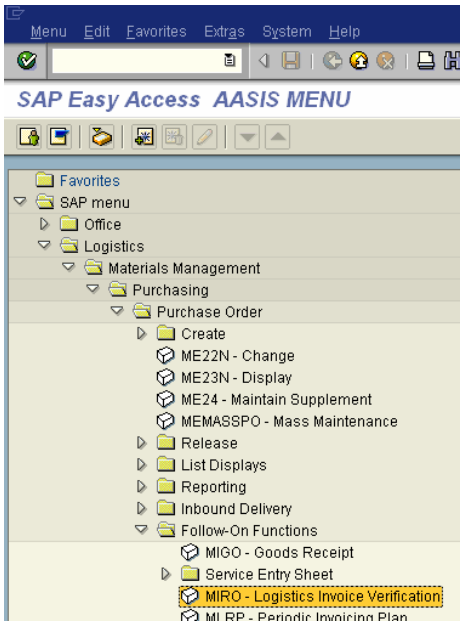


Exercise: Enter and post the MIRO transaction for the multiple line asset payment.

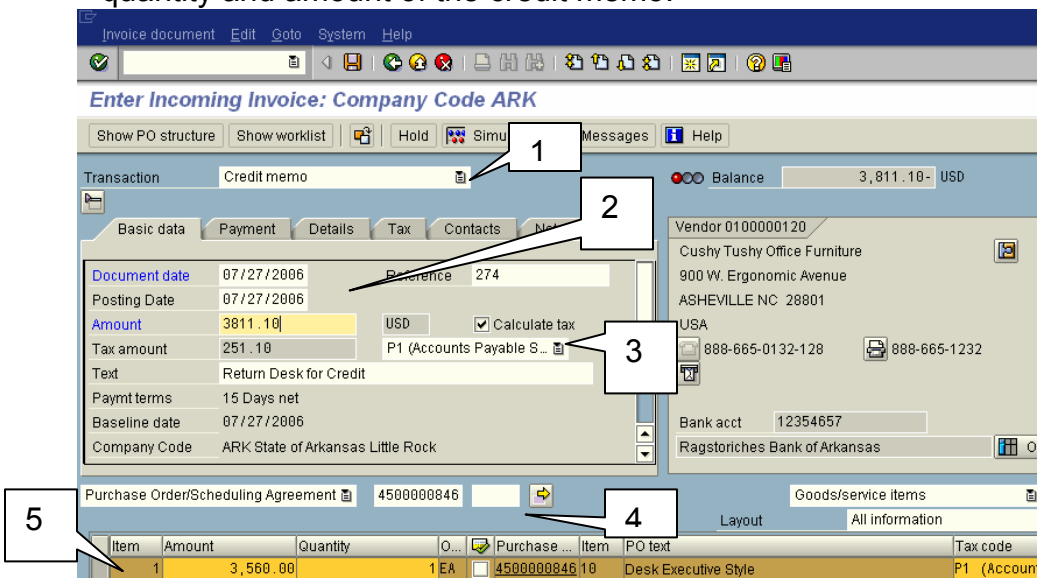
How Do I Enter a Credit Memo for a Fixed Asset?

Use transaction MIRO to enter a credit memo against a purchase order.

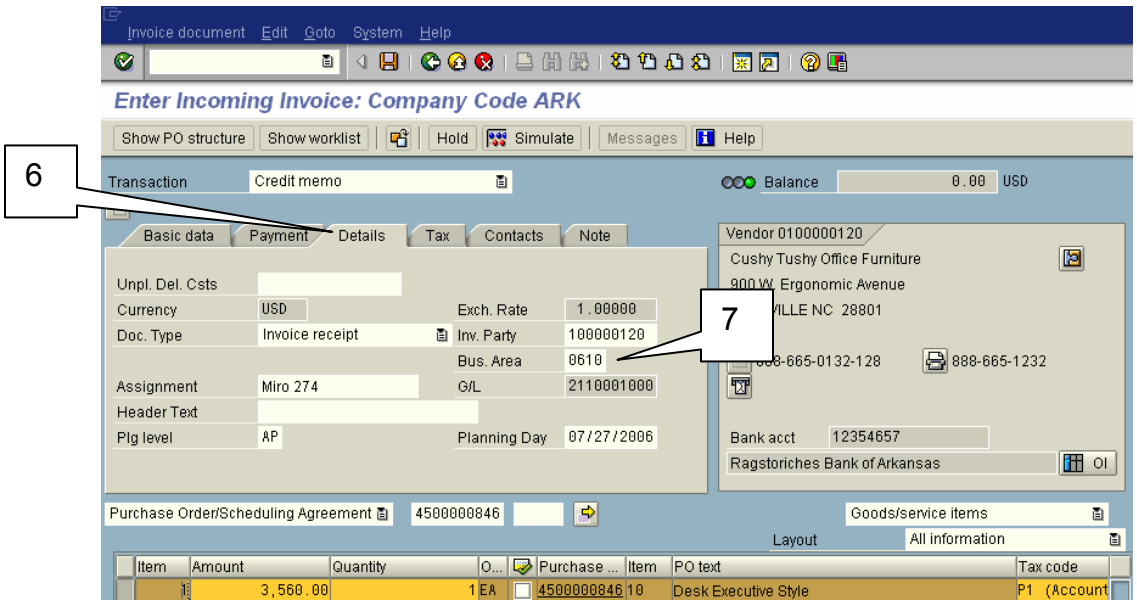
Before entering the credit memo, find an open invoice to offset the credit. The invoice must be to the same vendor, fund, funds center, and commitment item as the item you got credit for. The best way to find an offsetting open invoice is by running ZPO_OPEN_INV as discussed in Chapter 4.



1. Change the transaction field to credit memo.
2. Enter a document date, reference number, and amount.
3. If the item is subject to tax, select the calculate tax field and enter the correct tax code.
4. Enter the purchase order number for which the credit memo is being entered—this should be the PO for the original asset purchase.
5. Make changes to the quantity and amount as needed to reflect the quantity and amount of the credit memo.



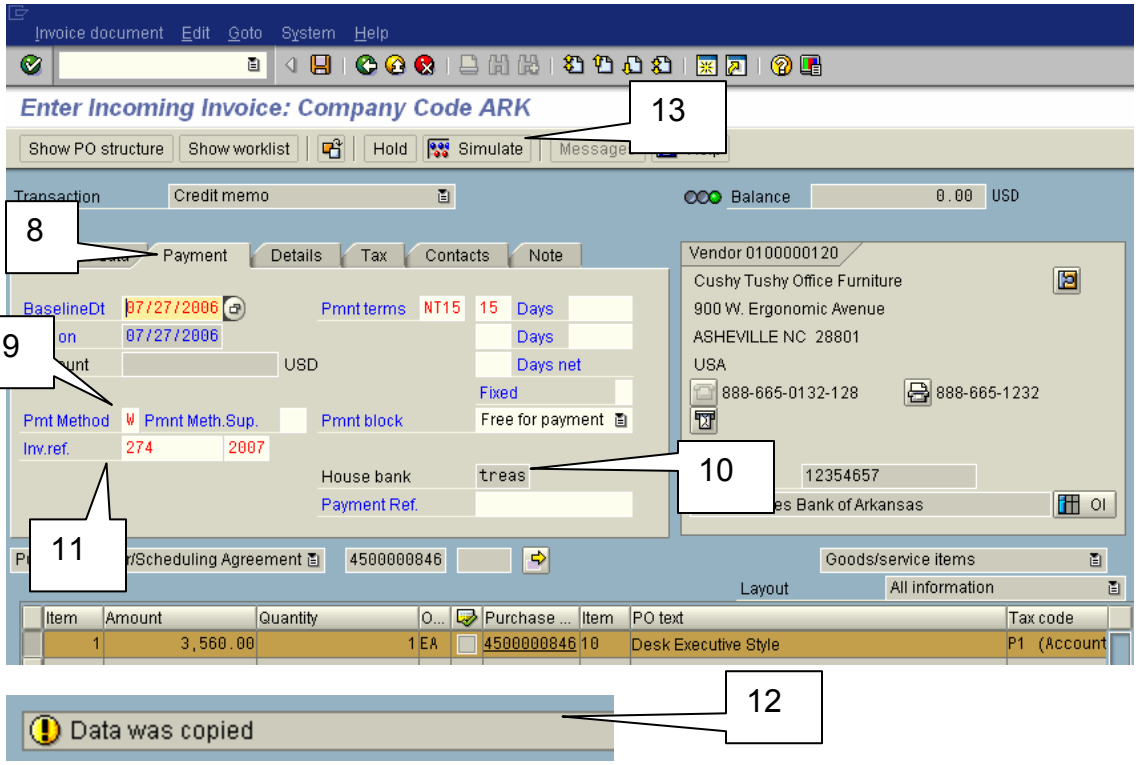
6. Click the Details tab.
7. Enter the business area and assignment number.



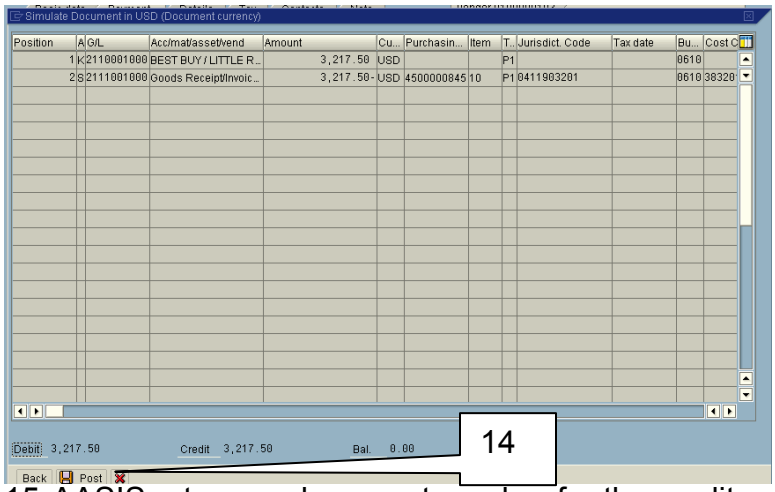
8. Click the Payment tab.
9. Enter the payment method.
10. Enter the house bank code.
11. In the Invoice reference field, enter the number of an open invoice for the vendor from the same fund, funds center, and commitment item combination.

Note: The asset number in the purchase order for the credit memo might not be the same asset number that is in the invoice used in the Invoice Reference field. In most cases, a credit memo arrives for an invoice that is already paid, so the credit memo and the invoice in the Invoice Reference field will be for different assets.

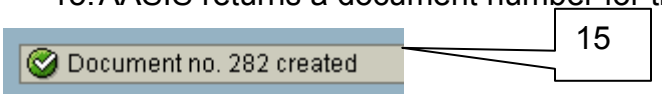
12. Press the Enter key. You'll get the message "Data was copied".
13. Click Simulate to view the posting.



14. View the posting. When you are satisfied that the posting is correct, click the Post button.

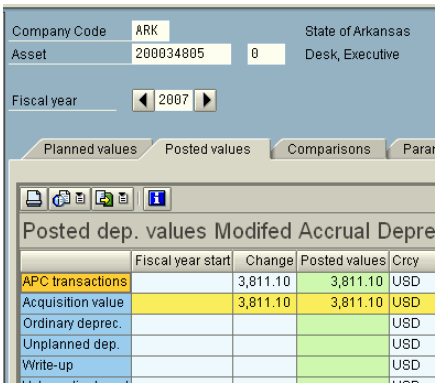


15. AASIS returns a document number for the credit memo.

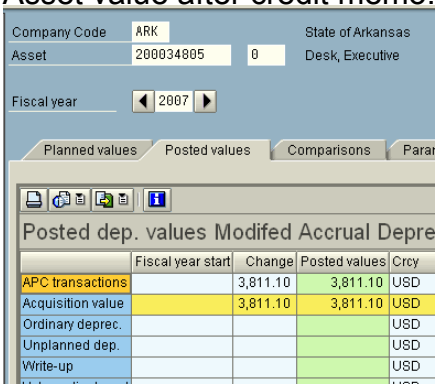


A credit memo does not automatically reduce the asset value. When the credit memo has been posted, the return delivery must be posted in the MIGO transaction for the quantity of goods in the credit memo. When the credit memo relates to an asset, follow the procedure at your agency to contact the asset specialist for any necessary follow-up transactions.

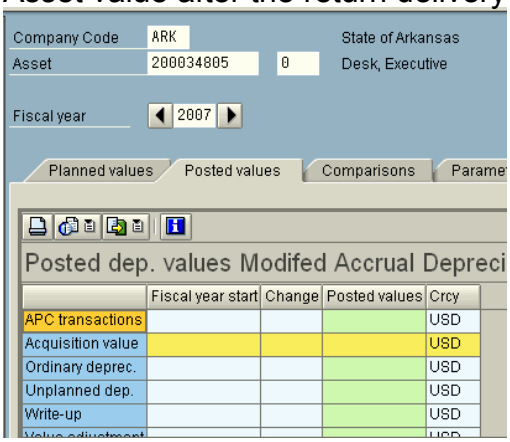
Asset value before credit memo:



Asset value after credit memo:



Asset value after the return delivery is posted:



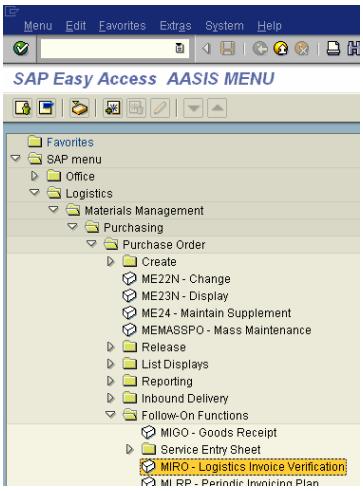
Note: You cannot post a credit memo to an asset purchased in a prior fiscal year. DO NOT APPLY THE CREDIT TO A DIFFERENT ASSET. The return delivery will reduce the value on an asset, and you should not reduce the value of the wrong asset.
In the case of a credit memo for an asset purchased in a prior fiscal year, request a refund instead and treat it as a prior year refund to expenditures.

Exercise: View the asset values for your assigned asset. Enter the credit memo for the assigned asset and view the values again. Did the value change? Why or why not?

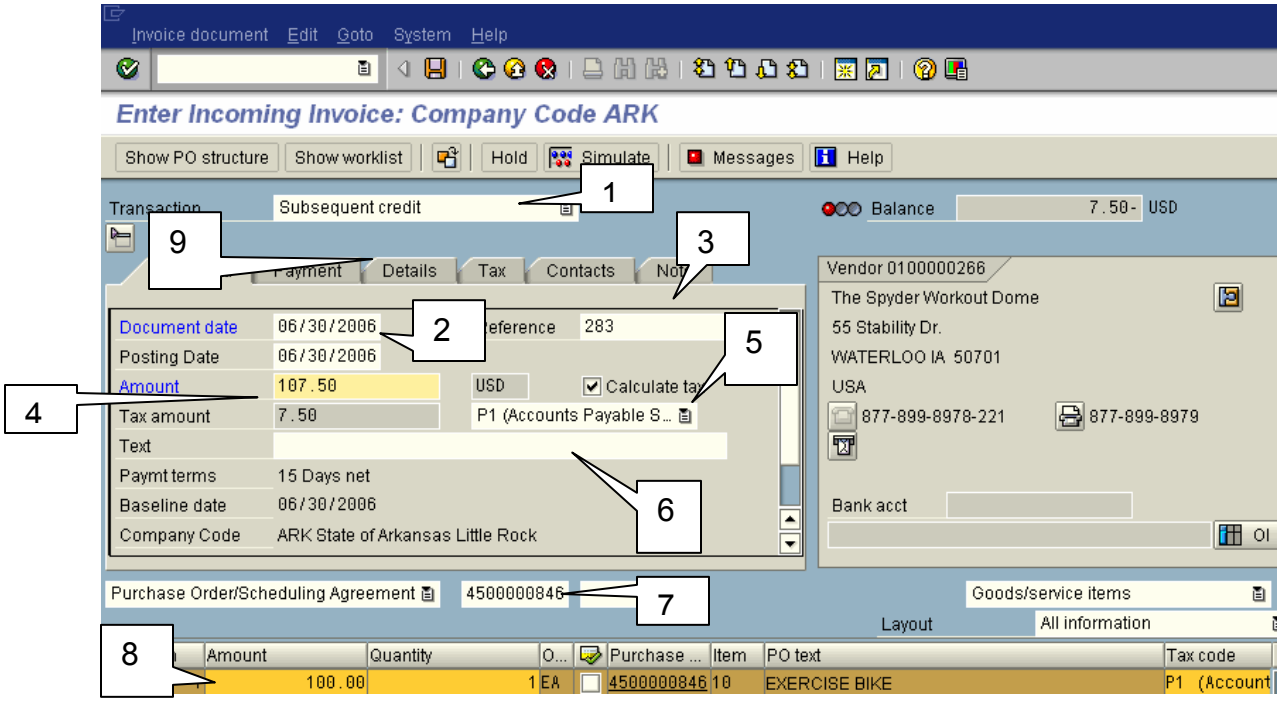
How Do I Enter a Subsequent Credit for an Asset?

Use the MIRO transaction to enter the subsequent credit.

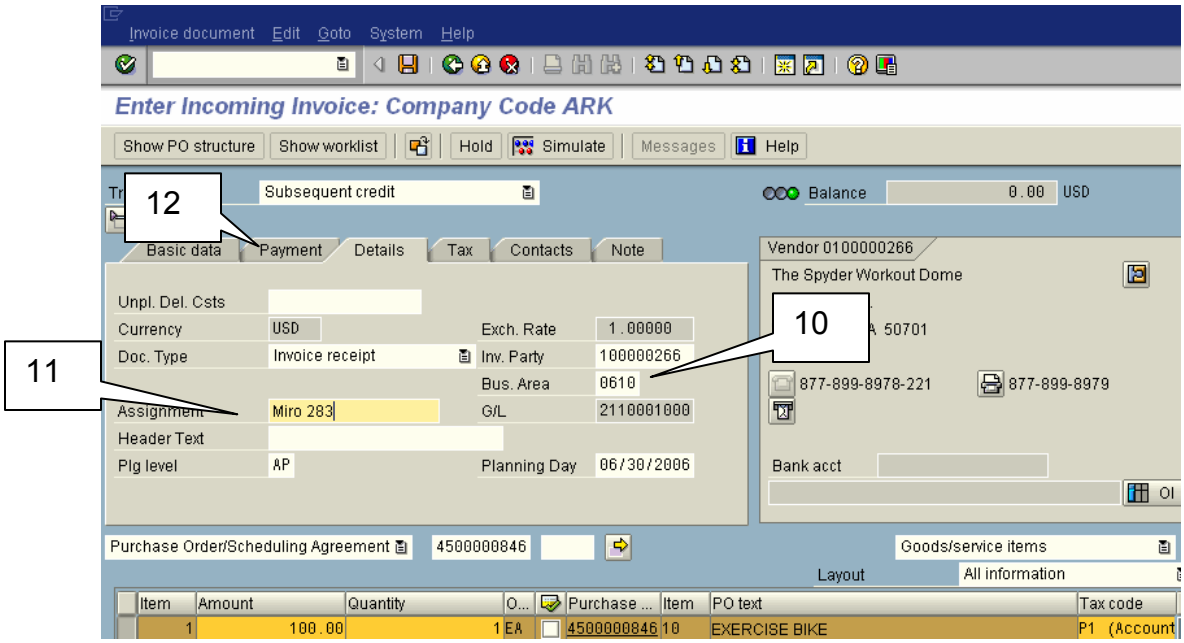
Before entering the credit memo, find an open invoice to offset the credit. The invoice must be to the same vendor, fund, funds center, and commitment item as the item you got credit for. The best way to find an offsetting open invoice is by running ZPO_OPEN_INV as discussed in Chapter 4.



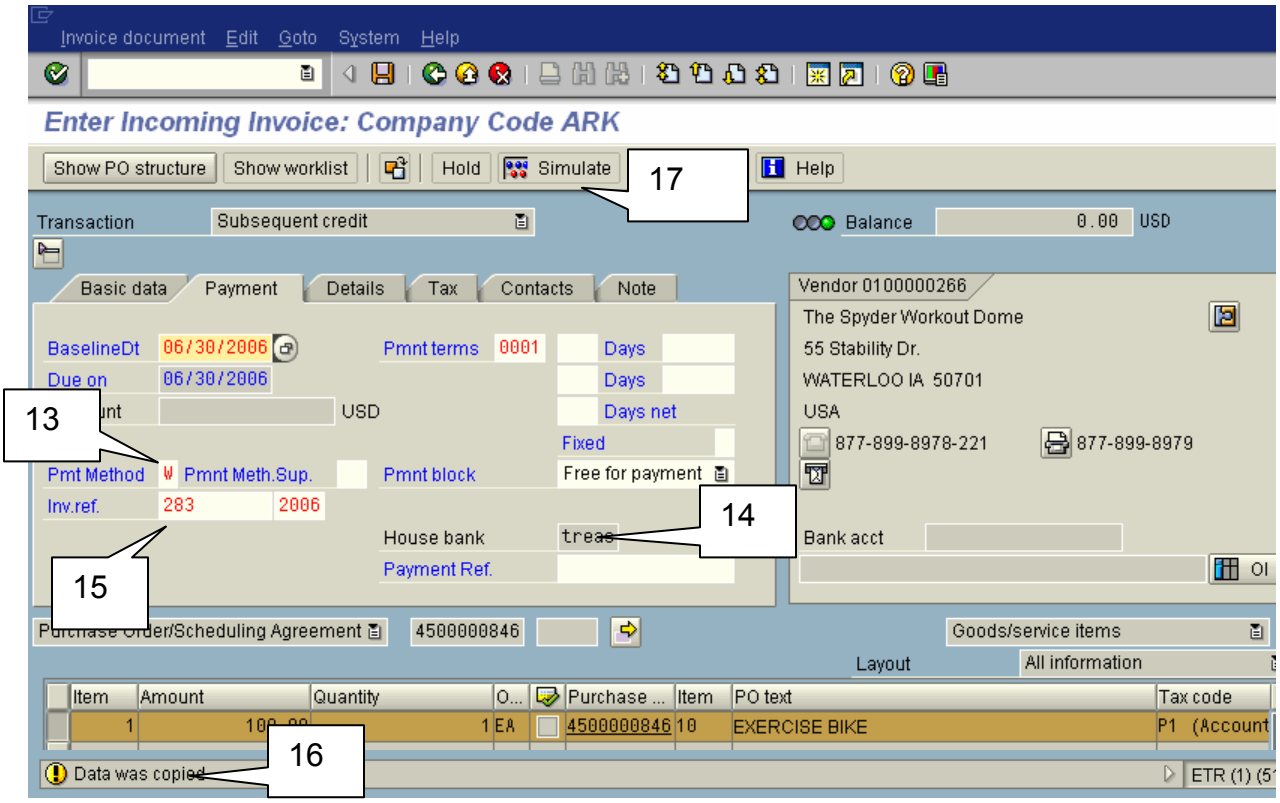
1. Change Transaction to Subsequent credit.
2. On the Basic data tab, enter the date in the Document date field.
3. Enter the related invoice in the reference field.
4. Enter the amount of the credit in the Amount field.
5. If the item is tax relevant, choose the appropriate tax code and select calculate tax.
6. Enter text as desired.
7. Enter the purchase order number—this should be the purchase order for the original asset purchase.
8. Enter the amount of the credit in the amount field on the item line.
9. Click the Details tab to continue.



10. Enter the business area.
11. Make entries in the Assignment field and Header Text fields as desired.
12. Click the Payment tab to continue.

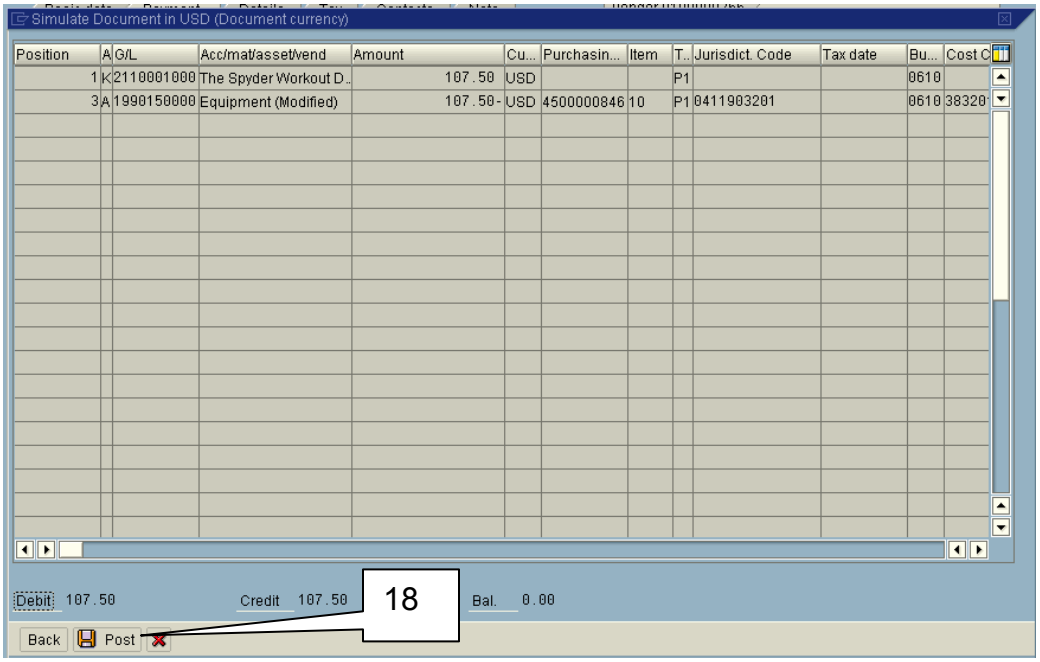


13. Enter the payment method.
14. Enter the house bank.
15. Enter the MM number of the open invoice in the Invoice reference field. This must be an invoice for the same vendor, fund, funds center, and commitment item combination.
16. Press the Enter key. AASIS will enter the fiscal year and return the message “Data was copied”.
17. Click the Simulate button.



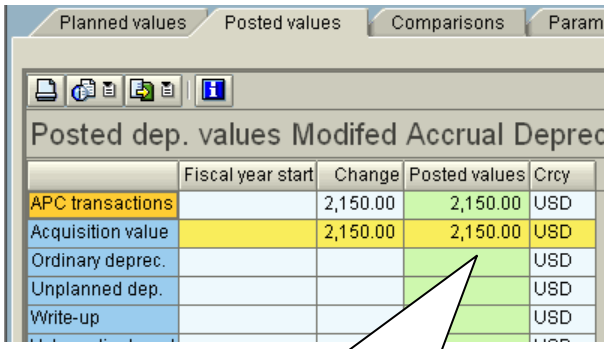
The simulation will show a debit to the vendor account and credit to the expense account. (The expense account code is derived from the purchase order that you entered in step 7.)

18. Verify that the posting is correct and click the Post button.

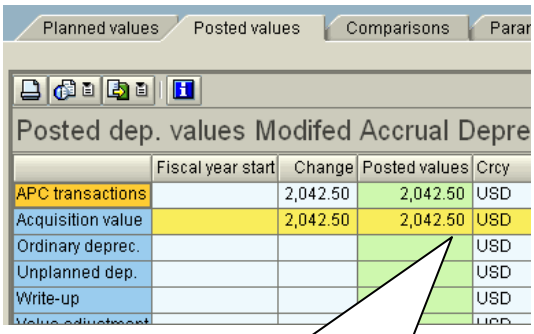


AASIS returns a document number for the subsequent credit.

The subsequent credit automatically reduces the asset value.



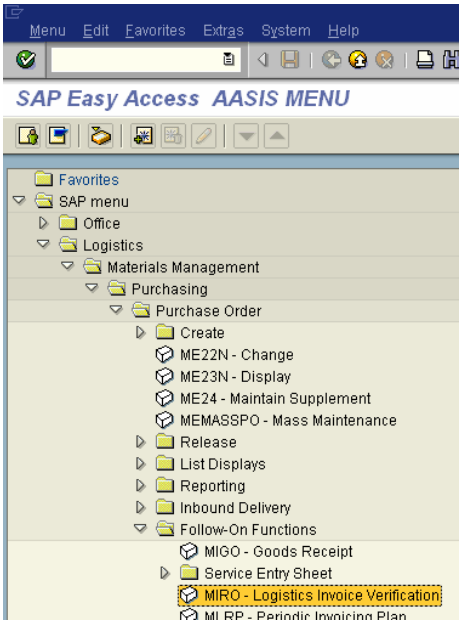
Posted asset value before subsequent credit



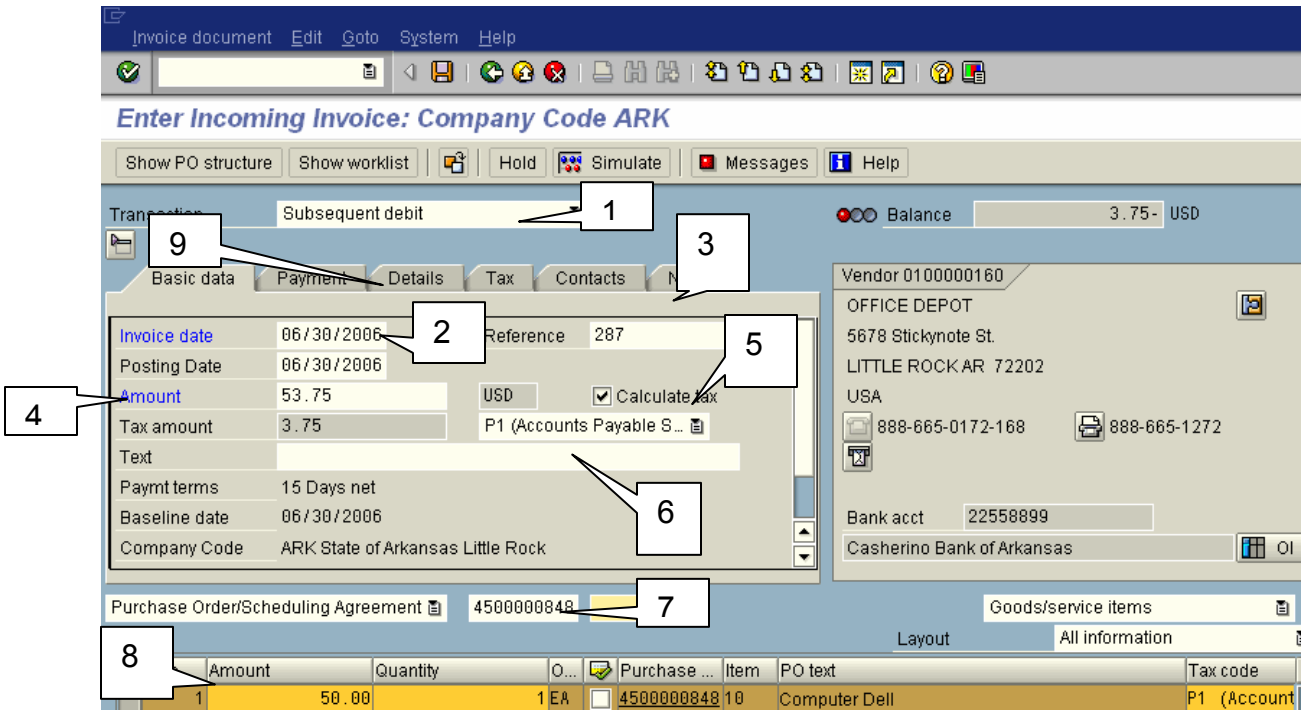
Posted asset value after subsequent credit

How Do I Enter a Subsequent Debit for an Asset?

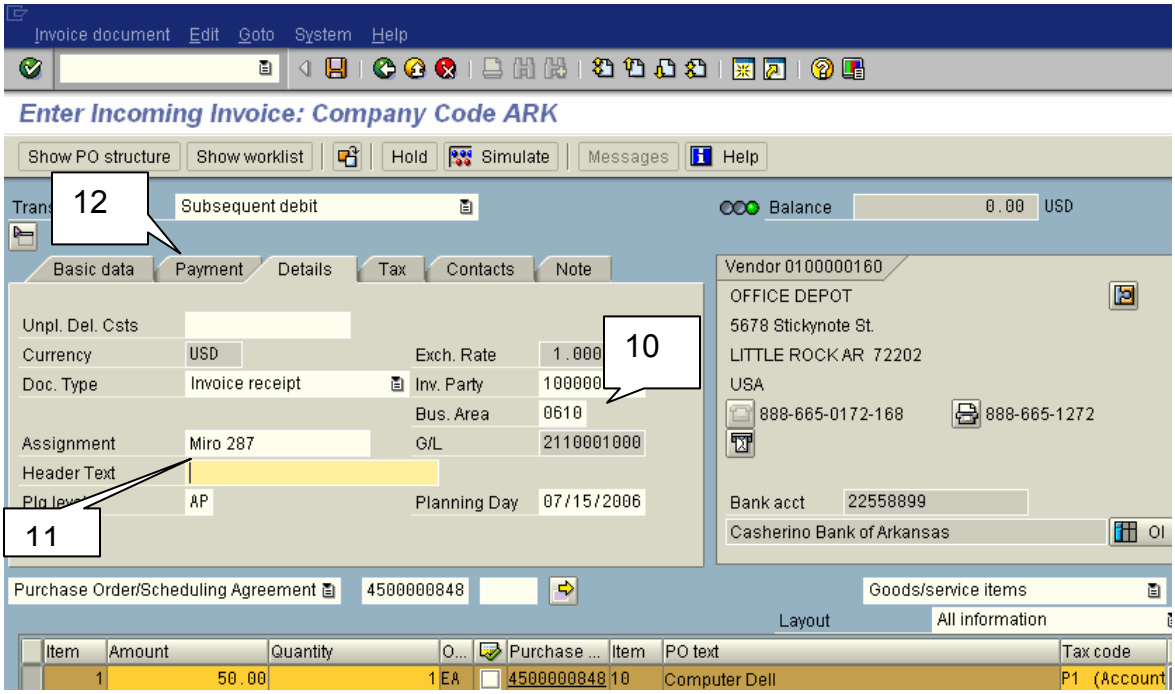
Use transaction MIRO to enter a subsequent debit.



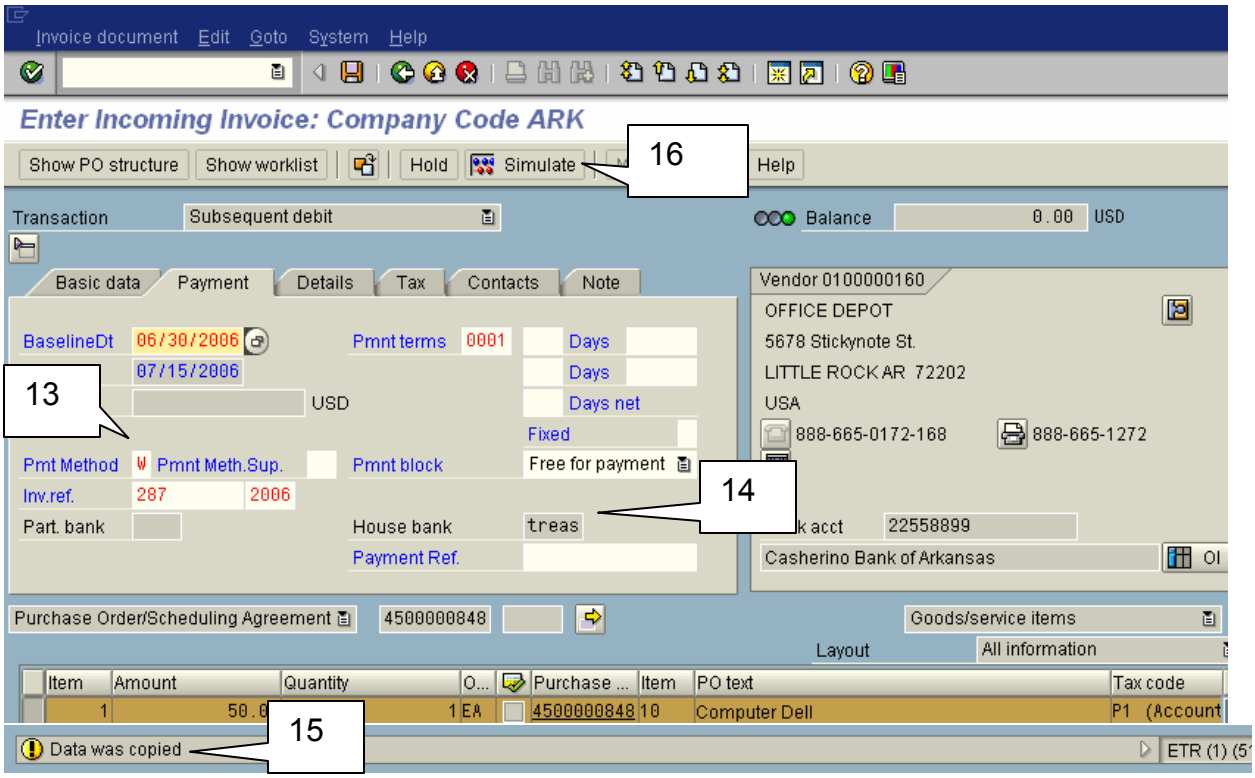
1. Change Transaction to Subsequent debit.
2. On the Basic data tab, enter the date in the Document date field.
3. Enter the related invoice in the reference field.
4. Enter the amount of the debit (including tax) in the Amount field.
5. If the item is tax relevant, choose the appropriate tax code and select calculate tax.
6. Enter text as desired.
7. Enter the purchase order number—this should be the PO for the original asset purchase.
8. Enter the amount of the debit in the amount field on the item line.
9. Click the Details tab to continue.



10. Enter the business area.
11. Make entries in the Assignment field and Header Text fields as desired.
12. Click the Payment tab to continue.

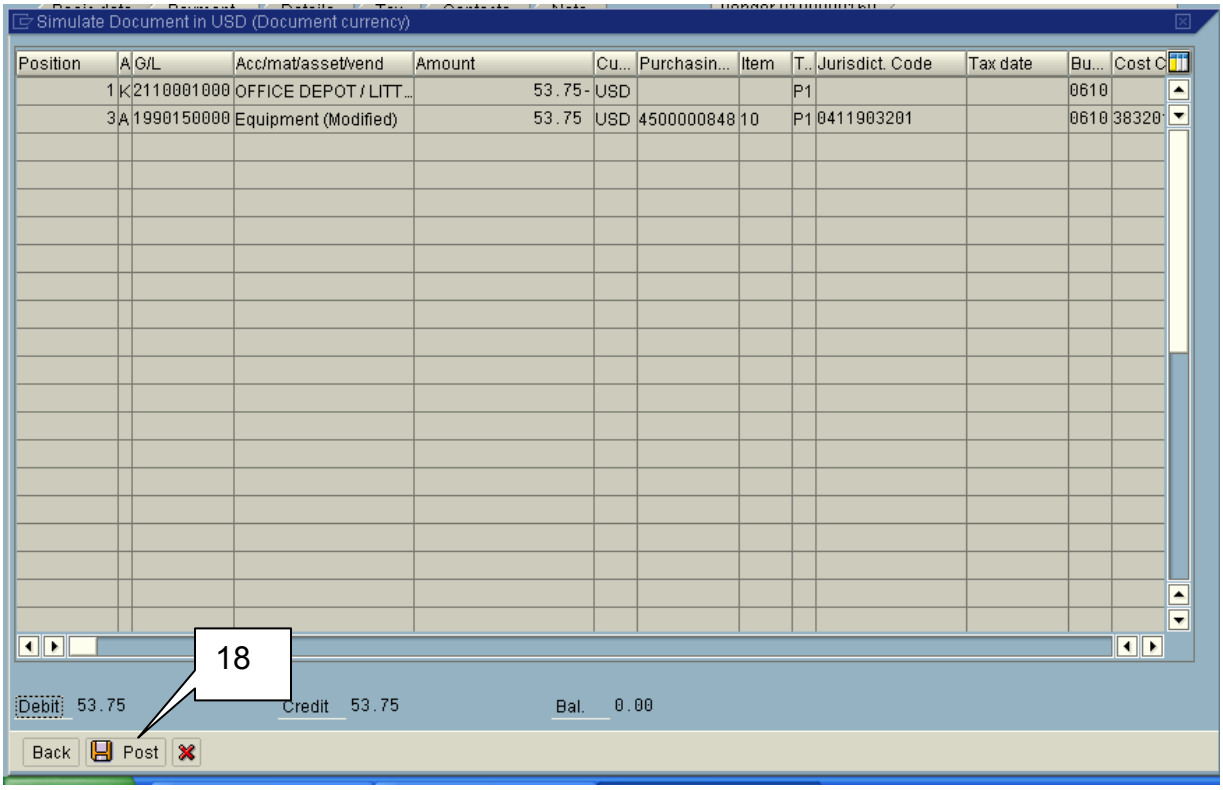


13. Enter the payment method.
14. Enter the house bank.
15. Press the Enter key. AASIS will enter the fiscal year and return the message “Data was copied”.
16. Click the Simulate button.

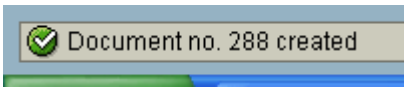


The simulation will show a debit to the vendor account and debit to the expense account. (The expense account code is derived from the purchase order that you entered in step 7.)

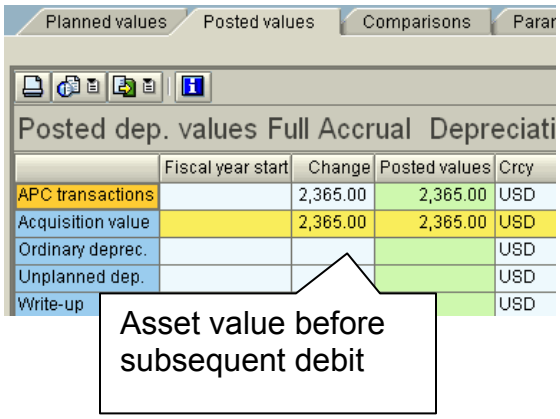
17. Verify that the posting is correct and click the Post button.

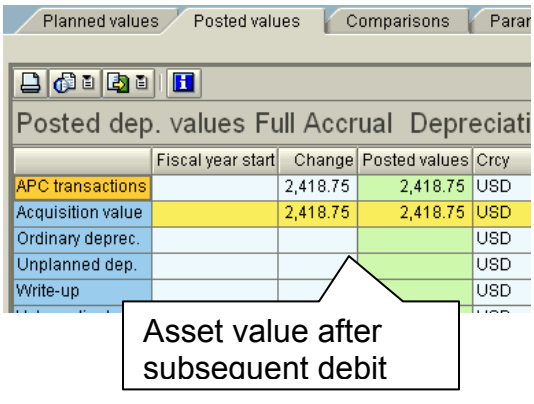


AASIS returns a document number for the subsequent debit.



The Subsequent debit automatically increases the asset value.





Exercise: View the asset value for the assigned asset for subsequent debit. Enter the subsequent debit for the asset. View the asset value again.

Accounts Payable Basics – Logistics Invoice Verification Process

Index

Accounting Document, 99, 194
Accounts Payable, 2, 14, 15, 20, 23, 25, 26, 84, 85, 86, 87
Accounts Receivable, 14
ALV Grid Control, 11
appropriation, 21, 26
Asset Management, 14, 19
Assets, 19
assignment field, 53, 129, 189
BAI file, 16
Balance Sheet, 19
baseline date, 52, 54, 190
Basic Data Tab, 52, 202
budget commitment, 109, 110, 111, 113, 157
budget quad, 20, 27
Business Area, 23, 26, 28, 31, 53, 189
Capital Assets, 186
Cash funds, 20
Cash Management, 14, 25
Commitment item, 21
conditions tab, 46, 73, 76
Contacts tab, 55, 191
Controlling, 14, 57, 104, 193, 199
controlling document, 104, 105, 199, 200
Cost Center, 21, 29
Cost Element, 21, 29
credit memo, 23, 24, 165, 166, 167, 169, 176, 181, 205, 206, 208
Customer, 22
Details tab, 53, 168, 172, 178, 189, 206, 210, 215
display options, 11
document changes, 129
Document Type, 24, 25
Document types, 31
Editing options, 145
Expenses, 19, 186
FI document, 124
Fixed Assets, 19, 21
FM, 14, 20, 21, 23, 26, 28, 29, 57, 83, 106, 107, 193, 201
Functional Area, 21, 29
fund, 20, 21, 22, 23, 25, 26, 27, 28, 29, 57, 78, 79, 80, 81, 86, 87, 103, 107, 109, 110, 111, 115, 119, 168, 192, 196, 201, 204, 207, 212
Funds Center, 21, 29
Funds Management, 14, 26, 106, 201
General Ledger, 14, 18, 19, 20, 22, 23, 24, 27, 28, 31, 45, 75, 83
GL account, 21, 27, 28, 29
Global Settings, 18, 23, 26
goods receipt, 15, 34, 42, 43, 44, 45, 51, 70, 83, 85, 87, 88, 105, 121, 122, 123, 165, 200, 203
GR/IR, 83, 84, 85, 86, 87, 88, 89, 100, 103, 113, 125, 129, 165, 194, 196
held document, 154, 155
Held Document, 153, 154
hold, 153, 154
House Bank, 54, 190
Integration, 18, 26
Internal Controls, 18
Internal Order, 22, 29
Invoice Reference field, 52, 71, 76, 188
Liabilities, 19
Logistics Invoice, 14, 15, 23, 24, 25, 26, 28, 29, 138, 153, 156
Mark for Pick Up, 133
Master Data, 18, 26, 31
Material, 2, 23
message
  blocked for payment, 182
  Data was copied, 174
  Invoices released, 184
  terms of payment changed, 125
  the options were entered in the user master record, 146
  unspecified error, 175
  You are not authorized to, 32
MM document, 57, 98, 120, 138, 176, 181, 193
MM document number, 57, 98, 120, 138, 193

Module, 2, 14, 15
Other Sources and Uses, 19
P0, 46, 49, 51, 52, 57
P1, 45, 46, 59, 70, 71, 72, 73, 77, 84, 87, 109, 188
Parameters, 8
park, 24, 32, 156
payment, 15, 16, 19, 22, 25, 26, 47, 53, 54, 72, 81, 85, 86, 87, 89, 113, 115, 116, 119, 120, 121, 125, 133, 138, 156, 168, 174, 175, 180, 181, 182, 189, 190, 203, 204, 207, 212, 217
Payment Method, 25, 26, 54, 190
Payment method supplement box, 135
payment program, 15
payment reference field, 54, 190
Payment tab, 53, 121, 168, 173, 179, 189, 207, 211, 216
Payment terms, 54, 123
Plant, 23
Posting Key, 23, 24
Project Definition, 22
Projects Systems, 14
Purchase Order, 34, 35, 38, 41, 43, 44, 45, 49, 51, 52, 70, 75, 78, 97, 109, 112, 153, 156, 186, 202
reconciliation account, 20, 27, 28, 29
Revenues, 19
reversal, 138, 139, 140
roles, 31, 32
sales tax, 28, 29, 45, 46, 70, 71, 73, 75, 77, 79, 84, 85, 86, 106, 107, 110, 113, 194, 198, 201
save as completed, 157
Simulation, 81
Special Purpose Ledger, 14, 23, 83, 87, 115
SPL, 14, 23, 26, 29, 57, 103, 193, 195, 196
subsequent credit, 171, 175, 176, 209, 213
subsequent debit, 123, 177, 181, 182, 214, 218
system block, 120, 121, 123, 182
tax code, 34, 42, 44, 45, 46, 51, 52, 70, 71, 73, 75, 76, 78, 79, 84, 85, 87, 109, 123, 125, 172, 178, 188, 206, 210, 215
text field, 52
tolerance, 47
Tolerance level, 73
Transaction F-44, 123, 140, 143, 145
Transaction FB02, 123, 133
Transaction FB04, 129
Transaction FB09, 127
Transaction FBL1N, 141, 147, 151
Transaction FBRA, 149
Transaction ME23N, 38, 49
Transaction ME2N, 93
Transaction MIGO, 83, 198
Transaction MIR4, 97, 120, 193
Transaction MIR6, 158
Transaction MIR7, 156
Transaction MIRO, 15, 46, 47, 49, 52, 57, 70, 71, 72, 73, 75, 76, 77, 79, 80, 81, 84, 97, 98, 99, 110, 111, 112, 113, 138, 153, 154, 155, 156, 166, 171, 177, 186, 188, 193, 194, 197, 198, 204, 205, 209, 214
Transaction MR8M, 123, 138
Transaction ZFI_PARKHELD_RPT, 161
Transaction ZOPENITEMAP, 118, 120, 121
U1, 46, 75, 76, 78, 79, 81, 85
unblock, 123, 182, 183
unplanned delivery costs, 53, 189
Use tax, 46, 87
Vendor, 15, 18, 20, 22, 23, 24, 25, 28, 31, 39, 84, 85, 86, 87, 88, 89
Vendor?, 140
warrant cancellation, 133
WBS Element, 22
Z000, 7